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FINANCIAL TIMES

No. 26,868

Wednesday January 14 1976

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GENERAL

Angola summit ends in deadlock

The Organisation of African Unity summit on Angola broke up in disarray in Addis Ababa without any agreement on a common policy towards the former Portuguese colony, nor any immediate prospect of reaching one.

The 46 members remain equally divided on the question of recognising the Soviet-backed MPLA, though none advocates recognition of the Western-backed FNLA/Unita coalition.

In Luanda, there are reports of a heavy MPLA offensive against UNITA positions in the south, with the ports of Benguela and Lobito said to be under attack. Back Page

Briton freed

British businessman Mr. James Martin, from Leatherhead, Surrey, held under house arrest in Zaire since September 20 after his aircraft strayed from the route of the British ambassador in Kinshasa, was apparently held as a hostage for a number of Zaireans detained by the MPLA Luanda Government.

Junior doctors end dispute

Junior hospital doctors agreed with the Department of Health over joint evidence to the independent body that will settle new contracts, thus ending a two-year dispute. But the threat of renewed industrial action has merely been suspended. Page 10

SBC faces cuts

BBC external services may be cut even further as the Secretary of State, Mr. Reginald Maudling, proposes a 10 per cent reduction in the budget for the corporation. At the moment Britain is just ahead of Egypt in the league table of world broadcasters.

Tin mines risk

A radioactive risk at three Cornish tin mines, which could increase the chances of lung cancer, should be eradicated in a few months through improved ventilation, according to the Health and Safety Executive. Page 8

Hamlets besieged

Some 1,000 Druze followers of Lebanese Socialist leader Damiel Jumblatt have descended from their strongholds in the Chouf Hills and laid siege to two coastal villages between Beirut and Sidon, where the Phalangists have been active.

Train set alight

Argentine armed guerrillas forced commuters off a train 20 miles from Buenos Aires and then set fire to the coaches. After escaping, they issued a communiqué saying their action had been a reprisal for the arrest and disappearance of Dr. Roberto Quieto, a lawyer said to have assisted the Montoneros.

Trance tactics

A woman who paid £5 to be put into a trance to help her stop smoking tried in vain to persuade Northamptonshire County Council to bring a prosecution under the Trade Description Act when the hypnotism failed to work.

Briefly...

Quebec Minister suggested on a French-speaking radio programme that the Queen should not open this year's Montreal Olympics.

West Germany's telephone system has nearly 15,000 new subscribers after a "Give a telephone for Christmas" campaign.

Israel's biggest robbery took place at Jaffa police headquarters when a black market safe worth over £5,000,000 seized by the Fraud Squad was stolen by raiders.

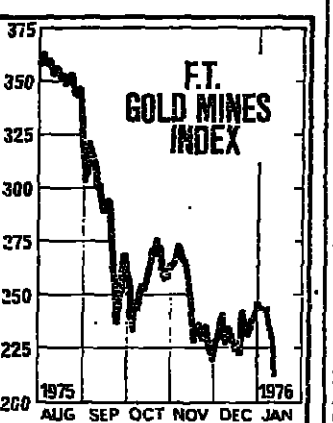
Romany hospitals have admitted at least 170 people, who drank sherbet at a Moslem festival, with food-poisoning symptoms.

BUSINESS

Wall St. sets new trading record

WALL STREET set a new record for the heaviest first two hours trading with 17.35m. shares trading by noon. The previous record was 17.07m. on January 28, 1975. Profit-taking brought the Dow Jones index back to 917.84 by 1 p.m., for a loss of 4.85.

EQUITIES continued their upward trend with leading industrials responding well to fresh buying. The FT 30-share index pushed through the 400



mark to 402.4 for a gain of 8 points—a 1975-76 new peak. Gold mines took substantial falls, with the Gold Mines index down 12 points at 211.8, its lowest since December 31, 1975.

GILTS saw heavy trading in shorts and mediums with early losses reduced in longs. The Government Securities index closed 0.02 up at 93.17.

MANUFACTURING investment this year could reach its lowest level for 12 years, according to inflation. Mr. Eric Varley, Secretary for Industry has warned. Page 8

HOUSE prices, which rose steadily in 1975, should continue to do so for at least the first half of this year, according to the Nationwide building society. Back Page

BRITISH National Oil Corporation meets for the first time in Glasgow today. Lord Briginshaw, former general secretary of NATSOPA, has joined the BNOC Board. Page 8 and Feature. Page 16

U.K. ACCOUNTANCY bodies plan to set up a joint committee to establish definitive standards for statutory audits under the Companies Acts.

Steel unions may seek aid

STEEL union leaders are in touch with Mr. Eric Varley to discuss problems of accepting SBC's plan for a £10m. cut in labour costs. They are expected to seek Government aid to cushion the impact on steelworkers. Back Page

CHRYSLER has closed its voluntary redundancy application scheme only about 1,000 men short of its 8,000 target for the first phase of job cutting. Back Page

WORKERS made redundant and those hit by company insolvency will have new statutory rights when the next stage of the Employment Protection Act is implemented in April. Page 10

ANTIQUE silver prices have recovered from the slump of 1980, according to Sotheby's. Sotheby's Parke Bernet has sold 100,000 lots, fetching £13.83m. in the past 10 years, making it the biggest auctioneer of silver and plate in the world. Page 2

COMPANIES

VOSPER THORNCROFT pre-tax profits expanded to a record £4.03m. from £2.18m. for the year ended October 31. Page 19 and Lex

SCOTTISH AND NEWCASTLE Breweries pre-tax profits for the half year to October 26, have jumped from £12.19m. to £17.43m. on improved sales during last summer's exceptional weather. Page 20 and Lex

CHIEF PRICE CHANGES YESTERDAY

RISERS		FALLS	
Treasury 11 (Up 77-1101) + 2	Sun Alliance 450 + 10	Tollmache Cobbold 971 + 3	Turner and Newall 184 + 4
Treasury 31 (Up 79-51-153) + 1	Valor 29 + 4	BP 613 + 8	Shell Transport 402 + 8
Asced. P. Cement 202 + 7	RTZ 208 + 3	Westmac 9 + 2	
BTR 171 + 3			
"Bats" 458 + 7			
Brit. Home Stores 364 + 1			
Courtaulds 164 + 4			
Dunlop 77 + 2			
Enzle Star 153 + 7			
Fluidrive 36 + 6			
Glaxo 380 + 10			
Hawker Siddeley 384 + 16			
Hickson and Welch 320 + 14			
ICI 362 + 5			
Ladbrokes 112 + 3			
Marks and Spencer 108 + 3			
Marshall (Hull) 82 + 3			
Melody Mills 48 + 3			
Ransomes Sims 123 + 6			
	San Alliance 450 + 10		
	Tollmache Cobbold 971 + 3		
	Turner and Newall 184 + 4		
	Valor 29 + 4		
	BP 613 + 8		
	Shell Transport 402 + 8		
	RTZ 208 + 3		
	Westmac 9 + 2		
	Billon (P.) 163 + 5		
	Booker McConnell 165 + 5		
	Brookhouse 150 + 5		
	Inuit Timber 98 + 4		
	Wayburn Eng. 468 + 12		
	De Beers Ltd. 325 + 5		
	Doornfontein 620 + 70		
	Hartbees 414 + 11		
	Kloof Gold 359 + 85		
	Posidnan 180 + 10		

Healey says public sector borrowing could reach £12bn.

BY ANTHONY HARRIS

The public sector borrowing requirement in the present financial year "might turn out to be as much as £12bn.," according to the first Treasury estimate published since the Budget; and the figure for 1976-77 is likely to be about the same.

These estimates are contained in the Chancellor's official letter of application to the International Monetary Fund, the text of which was published yesterday.

The figures are a little higher than recent City estimates, and seem likely to cause at least a pause in the recent bull market in Government stocks.

The market may also be disturbed by the estimate, given in the letter, that domestic credit is likely to expand in the second half of this year and in 1976-77 at an annual rate of 19bn., which would allow room for a very sharp acceleration in the growth of the money supply.

Reminder

Allowing for the likely balance-of-payments deficit and some growth in the non-deposit liabilities of the banks, this suggests that the ceiling on the growth rate of 33, the broadly defined money supply, may be as high as 16-17 per cent, which might well be faster than the growth of money incomes towards the end of the period.

The officially stated monetary policy is to keep the growth of the money supply somewhat below the growth of incomes, so that monetary policy reinforces

the Government's anti-inflation strategy.

It is clear that the estimates given in the letter are "conservative" in the sense of allowing for the worst probable outcome. Requirement in 1976-77, it is so that the Government cannot subsequently be accused of misleading the Fund.

But they will be read as a sharp reminder that recent trends, which have suggested a reduction in public sector borrowing to perhaps £11bn. and firm monetary restraint, cannot be relied on as pointers to the future.

The letter, which for the most part outlines known Government policies, contains one or two forecasts and indications which are firmer than before.

Mr. Healey says he hopes the current account of the balance of payments "will move into surplus in 1978" — a somewhat higher timetable than his recent statement that surplus should be achieved within the next two or three years.

Public spending, he says, will not grow all in real terms after 1976-77 — a firmer position than his previous statements that there would be "little or no" growth.

Most significantly, Mr. Healey explicitly rules out any strong

reflation this year. "Although I have had to conclude that the present unemployment situation leaves little room for cutting the PSBR (Public Sector Borrowing Requirement) in 1976-77, it is my intention to restrain domestic demand in order to ensure that resources are available for net exports."

While Mr. Healey has long made it clear that exports and an improved balance of payments must have priority, this unambiguous statement leaves him little room for concessions to growing trade union pressure to expand demand.

Trouble

The letter, as expected, contains an undertaking to consult the Fund before any further trade or payments restrictions are considered; and contains a general undertaking to consult with the Fund, at the initiative of either side, should any change in economic strategy appear to be needed.

While this is largely a formal statement of normal practice for any borrower from the Fund, and is not binding in the sense that

Continued on Back Page

Editorial comment, Page 15

Unenthusiastic start for debate on devolution

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE immense difficulties facing both the Government and Opposition over the devolution of powers to Scotland and Wales were underlined in the Commons yesterday when Mr. Wilson and Mrs. Thatcher opened a four-day debate on the proposal to set up separate assemblies in Scotland and Wales.

Mr. Wilson faced constant sniping from the Opposition benches and a unanimous silence from most of his own backbenchers as he argued that the White Paper proposals were intended to take power nearer to the people, while maintaining the unity of the United Kingdom.

It was clear that an ominously large proportion of MPs in all parties were hostile or apathetic to the Government's proposals, either on the grounds that they did not go far enough, or that they were likely to lead to the eventual break-up of the U.K.

A clearer picture could emerge when the debate ends on Monday night, when there will be a series of votes on the Government's motion to "take note" of the White Paper, and

on critical amendments from the Conservative Liberals and two Nationalist parties.

The Conservatives are still locked in argument about what tactics to pursue, and what "shadow" Cabinet is due to meet to-night to decide the terms of the party's amendment.

The amendment is expected to attack the Government's White Paper and to confirm the party's commitment to some form of devolution, but it is not yet decided whether it will repeat the commitment to a directly elected Scottish Assembly.

Freedoms

Significantly, Mrs. Thatcher avoided giving such a commitment in her Commons speech, although she did give an indication of some of the fundamental changes the Conservatives would want to see before supporting the Government when the proposals are put into legislative form, first in a draft Bill, and then in the revised Bill early next session.

First, she proposed that the

use by the Scottish Assembly of its devolved powers should be subject to judicial control through the courts, rather than to political control by Westminster veto.

Second, clauses amounting to a Bill of Rights should be enshrined in the devolution legislation to ensure that the assemblies could not deny essential freedoms.

Third, further safeguards should be written in to ensure that the central Government at Westminster could override the assemblies on international obligations.

It is understood that the "shadow" Cabinet unanimously accepts these proposals, but there remains an area of disagreement over how far the party should go in the powers recommended for a Scottish Assembly.

Continued on Back Page

Partial win for Right at Cowley

BY CHRISTIAN TYLER, LABOUR STAFF

CANDIDATES backed by Right-wing activists have captured five of seven important shop steward posts in Transport and General Workers' Union shop-floor elections at British Leyland's Cowley plant.

This result, however, is only a qualified victory for the moderates. Although Trotskyist militant Mr. Alan Thornett was decisively defeated, the election saw the re-emergence of former leading militant Mr. Bobby Fryer. Before his defeat two years ago Mr. Fryer had been a prominent shop steward for many years at the troubled plant.

Another Left-winger, Mr. Cy Blake, retained his seat in the high-polling elections—there was a 66 per cent turnout for the election of deputy shop stewards. The results mean there will still be considerable Left-wing and militant influence in shop-floor policies. Mr. Reg Parsons, the senior steward who led the campaign in support of "moderates," will to that extent be denied the "clean sweep of extremists" for which he had been hoping.

For Leyland, though, one prob-

lem has been removed. With the defeat of Mr. Thornett, nicknamed "the Mole" for his underground Trotskyist activities, a repeat of the confrontation over his recognition that two years ago led to a damaging strike at the plant, has been avoided.

Leyland said that it would have been refused to recognise Mr. Thornett had he been elected.

Mr. Parsons last night hailed the result for the five Right-wing backed candidates—all of whom polled over 1,000 votes out of 2,842 cast—as "good for Leyland and good for Britain."

This is a tremendous breakthrough which will snowball through the trade union movement, he declared.

One of the five supported by Mr. Parsons, Mr. Tom White, is politically Left-wing, but was adopted, said Mr. Parsons, because he did not bring his "revolutionary politics" into union affairs.

All but one of the 34 candidates—including members of the Workers' Socialist League (of which Mr. Thornett is a leading member), the Workers' Revolutionary Party, the International Socialists and the International Marxist Group—accepted the result.

The dissenter, Mr. Peter Boyles, claimed that more votes were found in the ballot boxes than names ticked off on the master lists. This discrepancy of about 2 per cent was put down to human error by the union.

The successful stewards are Mr. Jim Barson (1,668 votes), Mr. Albert Panton (1,224), Mr. Tom White (1,171), Mr. Mick Taylor (1,112), Mr. Tom Glen (1,098), Mr. Bobby Fryer (1,001), and Mr. Cy Blake (1,027).

Communist Mr. George Rees, who is president of the South Wales miners' has been elected as the next general secretary of the South Wales area of the National Union of Mineworkers. He is Dai Francis, also a Communist, who retires on February 5.

Statement leaves City uncertain

BY MICHAEL BLANDEN

MR. HEALEY'S statement on the borrowing requirement left the City in a state of uncertainty last night after a day of mixed fortunes in the foreign exchange and stock markets.

The pound dropped back to levels equalling its closing "lows" on average against other currencies, but the gilt-edged market and equity prices saw further rises on strong expectations of cuts in U.K. interest rates.

Gold falls

At the same time, the gold price dropped sharply by \$5 to \$131.1 an ounce in what appeared a late reaction to the International Monetary Fund meeting last week and uncertainty over the impact of official sales. This was its lowest level since late September.

One reason for the drop in sterling was thought to be the normal impact of oil royalty payments due to-morrow and diversification of oil producers' revenues out of sterling.

As a result the pound lost 60 points at \$2,055, with its average depreciation from December 1971 levels back to 38.2 per cent, against 30 per cent, on Monday and through most of yesterday.

Intervention

Some dealers felt that the authorities had intervened to steady the rate at times. It was also argued that in spite of the downward trend in interest rates in the U.S., the signs of further cuts in the U.K. had contributed to the weakness of the pound.

Rates in market dealings were at levels which indicated that the Bank of England's minimum lending rate could be brought down as much as 1 per cent, on Friday, though it was felt the bank would be unhappy to see such a sharp drop.

Against this background gilt-edged stocks saw further gains of up to 5-10ths with the emphasis swinging to the short end, while a burst of late activity left the Financial Times ordinary share index with an 8-point gain at 402.4, taking it back above the 400 mark.

in New York

	Jan. 13	Previous
Spot	\$2.0510-020	\$2.0600-010
1 month	1.05-0.97 1/2	1.05-0.20 1/2
3 months	1.24-0.23 1/2	1.24-0.20 1/2
12 months	1.75-1.75 dis	1.75-1.75 dis

Belfast bomb hits hopes of settlement

BY GILES MERRITT

BELFAST, Jan. 13

HOPES that the Government's latest Ulster proposals might contain the seeds of a political settlement received a sharp setback here with today's "no warning" bombing of central Belfast.

The lunchtime explosion inside the top security zone of the city's main shopping area killed five and injured 20 more. No group has admitted responsibility for the attack. The Provisionals have issued warnings before, of not on the mainland, ever since the ceasefire was introduced more than a year ago.

The timing of the attack seems to have been a bid to sour the atmosphere as the Unionist majority and the mainly Catholic Social Democratic and Labour Party go into the second phase of talks within the Convention. The explosion immediately sparked off a wave of bomb scares or hoaxes through the city, while the paramilitary Ulster Defence Association promptly announced that its Belfast Battalion had been placed "on standby" ready to retaliate against further outrages. There are, naturally, fears that the killings could provoke a renewal of last week's sectarian murder spiral.

Following yesterday's statement to the House of Commons in which Mr. Merlyn Rees, the Northern Ireland Secretary, unveiled the Government's plan to resurrect briefly the Convention for four weeks from February 3, in the hope that an emergency "partnership" coalition might emerge, Ulster Loyalists and British voters that resolute action is being taken against the IRA.

Without mentioning the newspaper by name, Mr. Wilson told the Commons: "To-day, on the most sensitive matters affecting the people of Ulster, there have been the most criminal misrepresentation of facts and lies about what is being done in Northern Ireland."

Earlier, Mr. Roy Mason, the Defence Secretary, was asked about the Daily Express report that the House of Commons Convention's November report rejecting power-sharing, and an "evolutionary" approach to political settlement — it is the latter that appears to be attracting Loyalist interest.

On his return to Stormont Castle this morning, Mr. Rees said he believed Loyalist support for a solution that would enable the Catholic minority to participate in government was possibly greater than during the period that resulted in the "power-sharing" Executive.

Mr. Rees spelled out his view of the evolutionary process that could in the long-term result in Northern Ireland regaining its devolved government. "The convention is over," he stressed, but, if Ulster's political

claims can agree on a participation formula, new elections would be called to form an Assembly based on the 1973 legislation that set up the power-sharing Executive. That Assembly, which would presumably centre around a form of emergency coalition, would enjoy limited powers at first but the 1973 Act would be progressively amended to devolve more and more authority to it.

The flexibility of this latest "last chance" being offered to Ulster Loyalists is known to appeal to a number of moderates within the dominant United Ulster Unionist coalition, and Mr. Rees is being deliberately vague in his definitions of "partnership and participation" even though they doubtless add up to power-sharing. The White Paper that he announced yesterday will set out the terms the Convention must agree to be contained in a letter that Convention chairman Sir Robert Lowry will probably receive before the end of this week, and is likely to be equally imprecise.

John Bourne, Lobby Editor, writes: The Prime Minister bitterly attacked the Daily Express yesterday over its report that fewer than 20 Special Air Service troops had been sent to Armagh. "No more than a token presence," which would not be increased unless the situation deteriorated. The report also alleged that the decision to despatch the SAS was "a little more than a political propaganda exercise to convince Ulster Loyalists and British voters that resolute action is being taken against the IRA."

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WORLD TRADE NEWS

World Car Markets

Record Swedish sales

By John Walker

STOCKHOLM, Jan. 13.

THE REGISTRATION of new cars in Sweden during 1975 broke all previous records and amounted to 285,328 compared with 260,129 cars in the previous year. The previous record of new registrations was set up in 1965 at 260,900 cars, the Association of Automobile Manufacturers and Wholesalers reports.

The total for last year was much higher than originally estimated: the association adds, December, normally a relatively quiet month saw registrations jump to 26,646 units compared with 17,487 in December, 1974.

The association says that 1976 is not forecast to be such a successful year and new registrations are likely to be more in the region of 240,000 units.

The two domestic manufacturers—Saab and Volvo—still hold a major share of the market with Saab registrations at 44,250 compared with 41,733 units in 1974. Volvo sales amounted to 63,213 cars of which 7,235 were produced in Holland, compared with 60,127 cars in 1974 of which 4,610 were produced in Holland.

Of the imported makes Volkswagen leads with 31,988 cars compared with 30,146 units in 1974. Opel sales amounted to 24,355 cars in 1975 compared with 22,533 in 1974. Japanese manufacturers increased their penetration of the market with Mazda selling 6,071 units, up from 4,090 and Toyota at 7,484 compared with 6,194 in 1974. British Leyland sales fell however, accounting for 2,980 cars compared with 3,234 in 1974.

Shipbuilding orders slump

By William Duffell

STOCKHOLM, Jan. 13.

SWEDEN MAINTAINED its position as the world's second shipbuilding nation after Japan in 1975 with new launches of 51 vessels to a combined tonnage of 5.2m. dw tons, but received new orders during the year for only 10 vessels totalling a mere 500,000 dw tons.

The value of the total remaining order book, according to the annual survey of the Swedish Shipbuilders' Association, fell during the year from Kr17.5bn. to Kr14.3bn. (£1.6bn.), of which some 82 per cent. concerns export orders. Orders in hand at the year's end comprised 115 vessels totalling 13.2m. dw tons, against 158 vessels of 15m. dw tons at the end of 1974. Norwegian shipbuilders account for about 30 per cent. of the orders, with the remainder distributed among 12 other countries.

Apart from the small Oskarshamn yard, which has orders stretching to 1980, the last ship on order at the major Swedish yards will be delivered in 1978.

The value of ships delivered by Swedish yards in 1975 was about Kr4.5bn. (£505m.), of which Kr3.4bn. came from exports. If sales of marine engines and repair work are added, the yards' total turnover was around Kr5.4bn. (£606m.).

BEARINGS

The Financial Times proposes to publish a report on Bearings. The provisional editorial synopsis and date are set out below. Thursday, 22nd January, 1976

- Introduction.** Following rationalisation and re-equipment programmes, Britain's bearings industry is among the most efficient in the world. But its fate is still in the hands of those other industries which are its customers. While at the heavy end of engineering, among process plant manufacturers and makers of steel mills, demand for bearings has held up fairly well, the bearings industry's performance in 1976 will depend to a great extent on a recovery among the motor manufacturers and makers of domestic appliances.
- International Trade.** The bearings makers are mainly companies which manufacture in more than one country. The U.K. industry's balance of trade has moved into the red mainly because of the way the international companies have rationalised production and concentrated on making certain bearings in certain countries. What are the future implications of this trend?
- The Japanese Influence.** The new NSK bearings plant at Peterlee, County Durham, built with the help of a U.K. Government grant of £1.5m., is due to come on stream in the spring of 1976. Other U.K. manufacturers insist that this will only add to Britain's over-capacity problems. The Government says that the plant will lead to a considerable substitution of Japanese bearing imports.
- Investment.** This is one industry where investment has continued in spite of the recession. All the major companies in the U.K. have been spending considerable sums, mainly to improve efficiency rather than to add more capacity.

We would point out that the contents and date of the survey are subject to complete editorial discretion.

For further information and advertising details please telephone 01-248 8000, Ext. 7129.

Iran may sell crude to Japan at discount rates

BY ROBERT GRAHAM

TEHRAN, Jan. 13.

IRAN IS believed to have established further outlets, the quantity of crude involved is not known.

The offer of the discount appears to have been a determining factor in persuading the Japanese to go ahead with plans for a \$2bn. petrochemical complex at Bandar Shapur. A joint company to carry out the project was formed in 1973 by the National Petrochemical Company (NPC) and a Japanese consortium led by Mitsui.

The petrochemical complex is the key project in Iran because it will provide the two "building blocks" for the petrochemical industry: producing olefins and aromatics. But the Japanese dragged their feet, partly through unsolved questions of Iranian guarantees for the Japanese share of the finance, partly over feedstock supplies.

Although the deal has not been announced, this is believed to have been one of the most substantive aspects of a much-publicised agreement last week to boost trade between the two countries to \$15bn. in five years.

Japan is one of the principal purchasers of Iranian crude. However, Iran's State oil concern, NIOC, has been having difficulty in direct sales of its share of crude and has been anxious to

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TEHRAN, Jan. 13.

plus the quantity of production destined for exports.

Press reports here have said that Iran will now guarantee the Japanese share of the finance. But it seems the Iranian guarantee could be nearer \$300m., or one-third of the Japanese share. It is expected that Iran will be turning to the international markets to finance this project—though not necessarily in the near future.

Industry sources claimed that all the problems surrounding the project are far from solved, indeed one source said it had only been taken "18 inches further forward."

As for the announcement last week that Japan would build a \$2bn. petrochemical complex in Iran, it seems far from tied up. The Japanese have merely said that they will review the idea in six to seven months' time.

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Getty Oil fined \$1,000 for boycott compliance

WASHINGTON, Jan. 13.

GETTY OIL Co. was fined \$1,000 for failing to report its participation in the Arab boycott against Israel, the Commerce Department said today.

The Department said that Getty shipped oil field equipment to Kuwait after certifying that the goods did not come from Israel and did not contain materials that originated in Israel.

Getty did not contest the allegations in consenting to the order and by the Commerce Department's Export Administration Office.

Getty is the fifth company to be fined the maximum civil penalty of \$1,000 for failure to report a request from an Arab country to participate in the boycott.

A Commerce spokesman said fines are imposed only after a company has repeated a violation of the reporting requirement. But the Commerce hearing examiner Burt Friedman said he had "only one charge" before him.

At least two occasions failed to respond to requests, but the two known reports came in the same quarter, the Department said. Because of this, Commerce considered the violations as a single case rather than a multiple error. The Commerce Department requires U.S. companies to report any attempt by a nation to boycott another.

UPL

Jobless drop in Canada

OTTAWA, Jan. 13.

CANADA'S SEASONALLY adjusted unemployment rate dropped 0.2 per cent to 7.1 per cent in December, its highest level since December, 1960, when it was 7.6 per cent, Statistics Canada said today.

The 7.1 per cent rate of unemployment compares with a level of 6.0 per cent in December 1974, and 5.4 per cent in December, 1973.

UPL

CAPITAL SPENDING TO RISE BY 5.5%

WASHINGTON, Jan. 13.

U.S. BUSINESSES anticipate that spending for new plant and equipment this year will rise by 5.5 per cent above 1975, according to a survey by the Commerce Department.

According to the annual survey conducted in late November and December, companies expect to spend \$119.68bn. in 1976 compared with the estimated \$113.49bn. in 1975, when spending rose about 1 per cent.

AP-DJ

U.S. bank regulatory bodies face criticism

BY JAY PALMER

NEW YORK, Jan. 13.

THE U.S. banking regulatory agencies are now coming under increasing attack for failing to prevent what many see as a deterioration in the American banking system. This latest wave of criticism coincides with and has been at least partly inspired by reports that the Comptroller of Currency's list of problem banks now includes both First National City Bank and Chase Manhattan Bank.

Each of the three national banking agencies—the Federal Reserve, the Federal Deposit Insurance Corporation and the Comptroller—maintain problem lists of different banks to be supervised more carefully and examined more frequently. Although Citibank and Chase allegedly warranted this status because of their relative high proportion of problem loans, it has been repeatedly emphasised that they both remain financially solvent.

In Washington, Senator William Proxmire announced late yesterday that he would summon the Comptroller before the Senate Banking Committee to explain his failure to do a vigorous enough job on banks.

He emphasised that the hearings will concentrate on the "accuracy and adequacy" of existing examinations in preventing banks' financial conditions from deteriorating in the first place.

This new thrust to improve the quality of U.S. banking regulation coincides with the filing of a large California law suit accusing the banking authorities of a "deliberate failure" to properly supervise and prevent the collapse of the U.S. National Bank of San Diego.

The suit, filed by the court-appointed trustee of one of the companies once owned by Mr. C. Arnold Smith, the deposed former chief of the bank, alleges that U.S. National was making fraudulent loans backed by fraudulent records.

The charges say that U.S. National's parent company, the California Bank and Trust Co., covered up adverse examination findings between the bank and its parent company and generally opted to gamble that the bank's massive illegalities would not be made public.

Sen. Proxmire's proposed review of the regulatory bodies has already gathered the support of Dr. Henry Kaufman, the influential partner of Salomon Brothers. Agreeing with Sen. Proxmire that the "competitive agencies creates an unnecessary, unproductive angle," Dr. Kaufman specifically urged that the agencies be made more critical and be forced into greater disclosure about the health of the banks.

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OVERSEAS NEWS

Druze soldiers
in fighting
in Lebanon

ISAN HAJAZI

THOUSAND Druze soldiers are reported to be fighting in Lebanon, according to a report from Beirut. The report, which was first published in the Lebanese press, states that the Druze soldiers are fighting against the Lebanese Army in the town of Tyre. The report also states that the Druze soldiers are fighting against the Lebanese Army in the town of Tyre. The report also states that the Druze soldiers are fighting against the Lebanese Army in the town of Tyre.

Razak in London
'definitely' for treatment

WONG SULONG

KUALA LUMPUR, Jan. 13.

Expected announcement of the death of Tun Razak, who is reported to be in London for medical treatment, has caused speculation in Malaysia. The report, which was first published in the Malaysian press, states that Tun Razak is in London for medical treatment. The report also states that Tun Razak is in London for medical treatment.

contacted Tun Razak's secretary, who said that he was in London for medical treatment. The report also states that Tun Razak is in London for medical treatment.

Soviet-Japanese talks
produce no results

CHARLES SMITH, FAR EAST EDITOR

TOKYO, Jan. 13.

THINGS between Japan and the Soviet Union apparently are no closer to a breakthrough than they were when they began. The five-day visit to Moscow by Japanese Foreign Minister Shintaro Arisawa, which was supposed to be a landmark in Sino-Japanese relations, has ended without any significant results.

Australian defence split

KENNETH RANDALL

CANBERRA, Jan. 13.

Government's senior defence adviser, Sir Arthur Tange, has been reported to be in a minority on the Defence Council. The report, which was first published in the Australian press, states that Sir Arthur Tange is in a minority on the Defence Council. The report also states that Sir Arthur Tange is in a minority on the Defence Council.

MPLA
'has won
respect'

By Jane Bergeron

LUANDA, Jan. 13.

A POPULAR Movement (MPLA) official spokesman said here today that the movement is satisfied with reaction to what he described as its "uncompromising stand" at the OAU summit conference.

Military fears
behind Thai
dissolution

THE Thai Prime Minister, Kukrit Pramoj, dissolved Parliament last night and called for a general election in the near future. The move was seen as a response to the military's growing influence in Thai politics.

Cabinet moves
in Rhodesia

MR. IAN SMITH reshuffled his Cabinet yesterday, bringing one new Minister into the Government and switching four Cabinet posts. The move was seen as a response to the military's growing influence in Rhodesian politics.

Libyan sit-in

About 100 Libyan students were sitting in front of the Libyan Embassy in London yesterday after moving in on Monday in protest against the government's policy on Libya.

More fail in Japan

More bankruptcies were recorded in Japan in 1975 than in any other year since the Second World War, according to a survey by the Japanese Ministry of Finance.

Soviets astray

Police in Australia's Victoria State went onto a state of "red alert" yesterday when they lost track of a carload of Soviet diplomats driving from Melbourne to Canberra. The car was later found in a field near Canberra.

FAILURE AT THE OAU SUMMIT

Superpowers in the wings

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

JUST BEFORE the Organisation for African Unity summit went into its final and abortive session on Angola, a spokesman for the Organisation said that the summit had failed. The spokesman said that the summit had failed because the superpowers were in the wings.

agencies reported later that South Africa had refused landing rights to the ships.

intended to consolidate and has now repeated its intention to continue fighting. Its failure to secure recognition from a majority of OAU members is no doubt a disappointment to it, but MPLA spokesmen say that they intend to fight to control the whole country. Since for the time being at least, MPLA will continue to get support from Cuba (whose Deputy Foreign Minister declared on Monday that Cuban forces would stay until requested to leave by MPLA), and therefore presumably from the Soviet Union, it can afford to maintain its hard line.

Given the size of the Russian and Cuban commitment to the other side, Unita-FNLA must have outside support if it is not to collapse. For the time being, that support, in men, arms and logistics, is being supplied by South Africa, with covert support from the U.S. Mr. Vorster has a tight control on his white electorate, but there are increasing signs of restiveness as the extent of South African involvement becomes clear to South Africans themselves. The isolation felt by the Government is shown by Mr. Vorster's New Year call to the West to step up its support to the "anti-Communist forces". South Africa would seem to have (in its own view) too much to lose to pull out unilaterally if it meant that the war in Angola would be won by Unita-FNLA. So once again we are back to the super-power involvement.

It seems probable that Dr. Kissinger will at least be committed to any involvement in Angola, the likelihood of any military victories, obviously



President Kaunda: worried about the destiny of Africa.

recognise the MPLA: to that extent, Washington may be congratulating itself on the success of the mission, ten days ago, of Mr. William Schaufele, the Assistant Secretary responsible for Africa, who visited "pro-western" African capitals in an attempt to drum up support for the "non-interventionist" line. But the OAU summit has in reality done nothing to ease the dilemma now facing Washington. The U.S. Administration backs the side which is militarily weaker: it now has to decide whether it wants it to "win" and if it does, whether it is prepared to pay the price. This, starkly put, is either a continuation of covert U.S. aid and support to maintain South African forces in Angola; or direct involvement. The third possibility is that Washington attempts to bring about a compromise between Unita-FNLA, whether from among African states or perhaps, from covertly backed mercenaries.

Given the hostility of Congress to any involvement in Angola, the likelihood of any

sort of direct U.S. involvement seems highly improbable. Like-wise, it seems improbable (though not totally impossible) that other African States would all the while. So the question facing Washington in the next few weeks would seem to be whether it continues to covertly support the South Africans as the coalition's "lifeline", or whether it accepts the probability of an MPLA victory. This is where the broader question of U.S.-Soviet relations comes in, for there remains the possibility that in the wider interests of détente, Washington and Moscow could come to a deal. This would probably mean the Soviet Union putting pressure on MPLA to come to some form of compromise with its rivals, though as things stand now with the MPLA and the Soviet Union holding the balance of power, this could not be a tripartite Government, but more likely entail the inclusion of certain political figures from Unita and FNLA in a basically MPLA Government.

Kenneth Kaunda, therefore, would appear to be right: there is little that African states themselves can do to find a quick solution to Angola.

There are likely to be no more full-scale meetings on Angola for some time (several delegates in Addis were heard wishing that the week-end summit had never taken place at all). But there will no doubt be intense diplomatic activity to see whether, quietly, some compromise between the two groups of states (and perhaps between them and the super-powers) cannot be found.

Although the divisions between the two groups of 22 were often bitter and deep, there are inevitable differences of emphasis, which could, once the shock of the Addis failure has subsided, leave some possible room for compromise.

Of those who back the MPLA, Addis Ababa showed, to no one's surprise, that Mozambique and Guinea-Bissau were completely on the side of the MPLA and likely to go on struggling to against compromise so too were Somalia and Congo-Brazzaville.

On the coalition side, Addis Ababa proved that there are considerable differences of emphasis. The "moderate" resolution involving non-intervention and a political settlement was put forward by Senegal, but the role of Ivory Coast was quite as important. With its close ties with France (which may well be relevant in this connection) the Ivory Coast's President Houphouët-Boigny has been one of the few adamantly anti-Communist leaders in Africa.

Observers in Addis Ababa were indeed surprised at the degree of hostility which the Soviet and Cuban presence in Angola aroused, whether it was in the Ivory Coast's case, for example, out of primarily anti-Communist motives or whether (as in Zambia's case) because of the fear of Africa losing control if any foreign powers were allowed to get a grip in the continent.

It is difficult, so soon after the conference, to predict the precise effect its failure will have on the future of the OAU itself. Africa has of course often been divided before (for example on the somewhat analogous Biafra conflict) though perhaps never so deeply. But then the stakes have never been so high.

Many African leaders, and most of all President Kaunda, are aware that Angola could be the first battle in the war for the whole of southern Africa, which would be bound to engulf both the White and the Black-ruled states in the area. This is why Kaunda is so alarmed at the prospect of Africa's destiny falling into foreign hands; but it is also why African states are likely to go on struggling to against compromise so too were Somalia and Congo-Brazzaville.

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EUROPEAN NEWS

MORE CIA 'EXPOSURES'

U.S. diplomats 'unmasked' by Paris newspaper

BY ROBERT MAUTHNER

THE PUBLICATION to-day by the Left-wing French daily *Libération* of a detailed list of 35 members of the U.S. Embassy staff in Paris alleged to be CIA agents, has been greeted by a deafening silence on the part of American officials here.

All questioners were referred by the U.S. Embassy to CIA headquarters near Washington, but there was little doubt that officials were intensely embarrassed by the whole affair coming, as it does, after similar revelations elsewhere in the world and less than a month after the assassination of the CIA station chief in Athens, Mr. Richard Welch.

The list published by *Libération*, which was founded a year ago on the basis of a Left-wing news agency set up by the famous French philosopher and writer, Jean-Paul Sartre, gives the names, office numbers and private addresses of CIA agents

said to have worked in the Paris Embassy in 1975. The paper said that only a minority of those listed had since been posted elsewhere.

The further list of about 30 names was promised by the paper for to-morrow and it claimed that Italian newspapers would shortly publish a similar list of 45 CIA agents attached to the U.S. Embassy in Rome.

The head of the CIA station in Paris was named by *Libération* as Mr. Eugen F. Burgstaller, who is described as an "attaché" in the French Diplomatic Directory. The list also includes Mr. Michael Berger, who was succeeded in Montevideo by Philip Aaga, the former CIA agent who has written a best-selling book exposing the Agency's activities.

Many of the agents in Paris are said to have had extensive experience in Latin American countries and the newspaper is generous in its information

about their various postings and activities. It emphasised, however, that the CIA agents on the establishment of the U.S. Embassy staff in Paris—known as "operations officers"—are by no means the only "American spies" in France. Others are said to be working under the "deep cover" of businessmen and a variety of other occupations.

Libération, which said that the list was prepared after several weeks' research by a team of journalists in Paris, London and Washington, excused itself for not publishing a similar list of Soviet KGB agents by drily pointing out that every member of a Soviet Embassy was by definition a spy. No one in their right mind, therefore, would give confidential information to a Soviet diplomat, whereas they could easily be fooled by an "engaging American cultural attaché".

French industry urges 6% expansion

By Rupert Cornwell

PARIS, Jan. 13.

FRENCH industry to-day openly challenged the Government by arguing an economic growth rate of between 5 and 6 per cent. annually over the three years ahead—as the only policy which could make a real dent in unemployment and all the social reforms advocated by President Giscard d'Estaing to go through.

At the very moment that M. François Ceyrac, head of the Employers Association (Patronat)—was speaking, senior Ministers were making it clear that the 4 per cent. expansion likely in 1976 was the fastest medium-term rate that would not undermine France's economic security.

This difference is, however, merely one aspect of the split which has developed between Government and industry over the whole sweep of French economic and social policy.

Today's annual assembly of the Patronat marks the start of a counter-offensive against what the employers believe to have been shabby treatment from all quarters of society after their role in saving France the highest sustained growth of any EEC country over the last decade.

About the only area where the two do not disagree is over the immediate prospects for the economy, although the Patronat is rather more cautious than the Finance Minister, M. Jean-Pierre Fourcade.

M. Fourcade said a conference of businessmen organised by *L'Expansion* magazine that output would grow by between 3.5 and 4.5 per cent. in 1976, after a 2.5 per cent. drop last year.

Productive investment would rise by up to 5 per cent., thanks largely to an even steeper increase in public sector spending.

Anything more, he warned, would only throw the doors open to inflation, and such an importation of inflation would be the weakening of France's trade balance, and pressures on the currency. The Government would operate a tight credit policy and aim to reduce the present substantial budget deficit.

In particular, it had no intention of granting industry the freedom to set its own prices that the Patronat again demanded this afternoon; and the Prime Minister, M. Jacques Chirac, emphasised that he would go ahead with the controversial project to tax capital gains.

But the divide goes deeper still. M. Chirac said that the first parts of the project to overhaul the structure of the company would be tabled later this year. But in a report adopted unanimously by the Assembly, the Patronat rejected the notion of worker-directors.

The sharpest words, however, were kept for the "scandalous campaign" maintained for more than a year against companies and hatred, little short of racism against industrialists, M. Roux said.

After a claspdown on investments, the pressures inflicted on corporate finances by an increased social security policy, there had been the "deceitful harassment" of directors, thrown into prison for their responsibility in work accidents. "We will no longer tolerate this systematic denigration and hatred, little short of racism against industrialists," M. Roux said.

Lack of funds may end wave of strikes in Madrid

BY ROGER MATTHEWS

MADRID, Jan. 13.

ALTHOUGH AT least 80,000 workers in the Madrid region are still affected by strikes and lock-outs, some Government officials believe that yesterday may have seen the peak of the present troubles. This is totally rejected by unofficial labour leaders, but they admit that lack of funds may force some workers back to work by the end of the week-end. They argue that peace can only be bought by employers acceding to just wage demands and the Government providing full democratic freedoms.

Some 12 companies in the Madrid industrial belt have now locked out the 50,000 workers they employ and there were continuing strikes this morning at construction sites and in the banking, postal and telephone sectors. Some areas of the capital did not receive postal deliveries and workers were on strike from the Central Post Office this morning when they tried to hold meetings.

After a night of violent clashes between workers and riot police, during which many commuters were temporarily overcome by repeated volleys of teargas shells and traffic halted by benches dragged across streets by demonstrators, there was a relative lull to-day. Squads of riot police were again stationed at key points in the centre of town and in the suburbs but were only rarely in action.

The bank workers are maintaining their militant attitude and most central offices were paralysed by 11 a.m. A similar picture has been reported from several provincial capitals. However, some branches remain open and tourists can still cash cheques.

Labour sources claim that between 80 and 100 strike leaders have been detained in the past 48 hours and there is continuing evidence of an even tougher Government line.

Considerable attention has been paid to a meeting yesterday between the first deputy Prime Minister, General De Suallo, the Minister of the Army, General Alvarez-Arenas, the leader of the ex-Servicemen's ex-Director-General of the Guardia Civil, General Iniesta who is a renowned hard-liner, and Senator Jose Antonio Giron, Association, another of the country's most reactionary organisations.

No details of their conversation have leaked out but it was almost certainly centred on what the right wing sees as a dangerous increase in the level of left-wing "subversion". Such moves for co-operation have already been witnessed particularly in Catalonia, the Basque provinces and Galicia. Socialist leaders from several West European countries are due to begin arriving here to-morrow, as part of the Spanish Party's attempt to demonstrate the depth of support and encouragement it is receiving from abroad.

Spain launches Euro-diplomacy

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, Jan. 13.

THE NEW MADRID régime has launched a diplomatic offensive clearly designed to pave the way for future Spanish bids for membership of both the EEC and Nato. After visits to Paris, Bonn and Luxembourg, the Count of Motrico, the Spanish Foreign Minister, is now scheduled to visit Brussels on February 16 and 17 as part of a West European tour intended to take in all nine EEC capitals.

In Brussels the Count will have talks with the Belgian Government, as well as top-ranking EEC and Nato officials. He then wants to go on to London on February 18 and 19, but this has not yet been definitely confirmed.

The Count has made a series of distinctly optimistic public statements over the past few days. Yesterday he was reported from Madrid as having said that the political prejudices of certain EEC members disappeared, it would be possible to start negotiations in the near future to favour reopening the talks when the matter is discussed at next week's meeting here of the Community's Council of Ministers. The Netherlands and Denmark, however, are likely to be much less enthusiastic and it is still not yet clear whether the Count will be a welcome visitor in The Hague and Copenhagen.

It is also possible that Madrid may be in less of a hurry to reopen the talks if its aim is now full membership. A further delay could be underlined by the distinction between Spain and the Arab countries involved in the first stage of the Mediterranean negotiations, which are now nearing completion.

Bomb attack on Lisbon Left

BY PAUL ELLMAN

LISBON, Jan. 13.

BOMBERS struck again in Northern Portugal to-day in the second set of attacks against premises associated with Left wingers in less than a week. The attacks came against the headquarters of the Communist Party and the Communist campaign in the north of the country spearheaded by farmers' organisations.

The most serious explosion occurred at the home of a prominent Communist in the Oporto suburb of Gondomar. Other attacks were made against shops owned by left wingers and the car of another Communist Party member.

Meanwhile, as attention begins increasingly to focus on the election campaign which has all but started in preparation for this spring's polls, the opposition Social Democratic Centre Party (CDS) launched an all-out assault on the Government's handling of the economy accusing it of having put democracy in danger through its failure to tackle this problem.

Professor Diogo Freitas do Amaral told a Press conference here that Portugal had to choose between a market economy strongly backed by the EEC or a Communist system with the support of the Soviet Union. The CDS, which won only 7 per cent of the votes in the poll of last April 25, is expected by most political observers here to make significant gains this spring and

replace the Communists as Portugal's third biggest party as a result of its early identification with a number of anti-Left forces in the country, notably the farmers.

Britons 'spurn own homes'

BY ROBIN REEVES

BRUSSELS, Jan. 13.

THE EUROPEAN Commission has exploded the myth that every Englishman banks after a home as his castle. Its latest consumer survey based on some 40,000 households throughout the Community reveals that only 3 per cent. of Englishmen (plus presumably the odd Welshman and Scot) would buy a home or have one built, given a sharp increase in their income.

By contrast, over 40 per cent. of Germans, and Italians, and more than 30 per cent. of Belgians, French and Dutchmen, and over 20 per cent. of Irishmen and Danes, put purchase of their own home as first priority.

Favourite choices in the U.K., according to the survey, would be to use the extra money to improve day-to-day living standards (22 per cent.), keep the money readily available (26 per cent.) or do something else unspecified (26 per cent.).

The attraction of putting money into bricks and mortar on the Continent is also revealed by the 10-15 per cent. years previously. The U.K. is

Leone may ask Moro to return

PRESIDENT Giovanni Leone was last night concluding formal consultations with party leaders in the search for a government, and it was expected that he would give Sig. Aldo Moro, the outgoing Prime Minister, an exploratory mandate to see if he could, together with another coalition administration.

Sig. Moro, the unanimous choice of the majority Christian Democratic party to head a new government, would have the task of trying to reach a new accommodation with the Socialists, Dominick J. Coy writes.

The Socialists suggested that their main difference with the majority party now concerned economic issues. In particular they are demanding the any new government in which they are partners must give in to their priority to reducing unemployment.

North-South talks progress

THE 15 delegates from all producing and developing nations moved to their closing session yesterday as they worked out a strong and united formulae for their meeting in the bargaining session.

Conference sources said that the meetings were well advanced in their negotiations for the joint commissions on energy, raw materials, development and financial problems, UN reports.

Cyprus talks

Talks between representatives of the Greek and Turkish Cypriot communities will most probably resume in the near future, under the direction of the UN Secretary-General Dag Waldheim, informed sources said yesterday, our Cyprus correspondent reports from Nicosia.

Mme. Claude teaches French archaeologist Francoise Claude, detained for nearly two years by Touhou rebels in northern Chad, has been teaching their children for a few weeks in the Tibesti mountains, sources told Reuters. Her husband, Pierre Claude, was also with her.

Belgian profit hope

Net profits of Belgian industrial firms should rise by about 30 per cent. this year, Kredietbank SA said in its weekly bulletin, according to Reuters. However, these would still be 25 per cent. less than 1974 as 1975 profit levels are expected to be almost half the previous year.

Innocent move

LEYLAND - Innocent - workers occupying the Milan plants of the company, which has been put into liquidation by British Leyland, yesterday decided to oppose the plan to sell the 18,000 cars in stock. AP-DT reports from Milan. A union spokesman said not a single car would be allowed out of the plants before finalisation of a salvage plan for the company, which employed 4,500 workers.

New Rome paper

The start of a new battle for reader allegiance and circulation in the Italian Press would take place to-day when the Mondadori publishing group and the L'Espresso weekly magazine jointly launch a new national daily newspaper, *La Repubblica*, Anthony Robinson writes.

The new paper, which aspires to become an Italian version of *Le Monde*, has been launched in a wave of advance publicity.

Directorate with changing membership, limited to certain people or certain countries, which would themselves rotate, and which would not necessarily be the big countries." The concept, Brussels diplomats say, would be rather like the United Nations Security Council, where the big countries are permanent members and the small countries take turns. The details have not yet been elaborated.

As the leader of the Community's smallest country, M. Thörn could hardly be expected to be in favour of "big" country domination, and indeed he opposes it most strongly. However, he should be prepared to consider new arrangements if the purpose were simply to improve the efficiency and speed up work. "If the aim is to uncouple certain countries from the train, and give others special status, then it's out of the question," he concludes. Meanwhile, for the next six months at least, there is little chance of the views of the smaller countries going unheard in Brussels.

He certainly intends to play this role in the next six months, hoping to get the Community "back on the rails" after several years of stagnation. His first priority for the summit he will chair in mid-March will be the Tindemans report on European union, published in Brussels last week, with which he broadly agrees. He shares the Belgian

the presidency should be the Community's co-ordinating and driving force, as well as its spokesman to the outside world.

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Herr Schmidt does not approve of the current system under which the Presidency automatically changes hands in alphabetical order, every six months. The system, he feels, can easily land the Community with a President who is not best suited for the job, or for a particular aspect of it. Why not, he suggests, divide the tasks so that one Minister or country could be in charge of finance, for example, another would be responsible for foreign affairs, and so on, all for periods lasting much longer than six months.

M. Thörn says that both Paris and Bonn are doing in terms of a new "executive nucleus of

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GASTON THORN

Big job for a small country

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

M. GASTON THORN, the 47-year-old Prime Minister of Luxembourg, may have a strong claim to the title of Europe's most over-worked politician. Not content with the Premier's portfolio in the diminutive Grand Duchy (population 352,000), he is also Minister for Foreign Affairs, Foreign Trade, and Physical Education and Sport. He is president of the Liberal International, and since last September President of the General Assembly of the United Nations.

Today he appears before the European parliament in yet another capacity—president of the EEC Council of Ministers for the first six months of 1976.

It is his third stint in the Council chair. In 1969, at the age of 40, he became Foreign Minister and simultaneously the youngest ever President of the Council. His handling of the Presidency quickly earned him a Europe-wide reputation for diplomacy that has ever since helped to maintain his country's influence at a level out of all proportion to its size in the Community.

M. Thörn admits that his current functions are almost too much for one man to handle, although with the end of the General Assembly session last month he will not be needed much more in Luxembourg. That will leave him more time to devote to the taxing EEC Presidency, which is particularly hard on the representatives of small countries. Whereas bigger countries may have 50-odd diplomats and officials in their Brussels delegations, Luxembourg will have to run the Presidency with

only nine. Ireland managed capably with 23 in the first six months of last year. At the headquarters of the Foreign Ministry in Luxembourg City, M. Thörn operates with a bare dozen or so A-grade or university-level staff.

Even for a big country, the Presidency can be physically exhausting. It is not merely a question of chairing Ministerial meetings; the presiding country must provide the chairman of each Council committee and working group, and often act as spokesman for the Nine in contacts with other countries. In its six months in the chair Luxembourg will also organise at least one summit conference and two extra meetings of Foreign Ministers in its own territory, in addition to being national Council as usual in April and June.

Smallness has its advantages however. On many EEC issues no burning Grand Ducal national interest is at stake. Leaving the Luxembourgers free to arrange compromises without constantly having to refer back home for fresh instructions. A Government that runs out of officials can ask the country next in line for the Presidency, in this case the Netherlands, to provide a temporary replacement.

M. Thörn has always favoured giving the Presidency greater power and responsibility. "The job, he says, does not simply be to check that everyone is present and see what they want to talk about. The President should be more like a prime minister in a union, published in Brussels last week, with which he broadly agrees. He shares the Belgian



"The Presidency should be the Community's co-ordinating and driving force, as well as its spokesman to the outside world."

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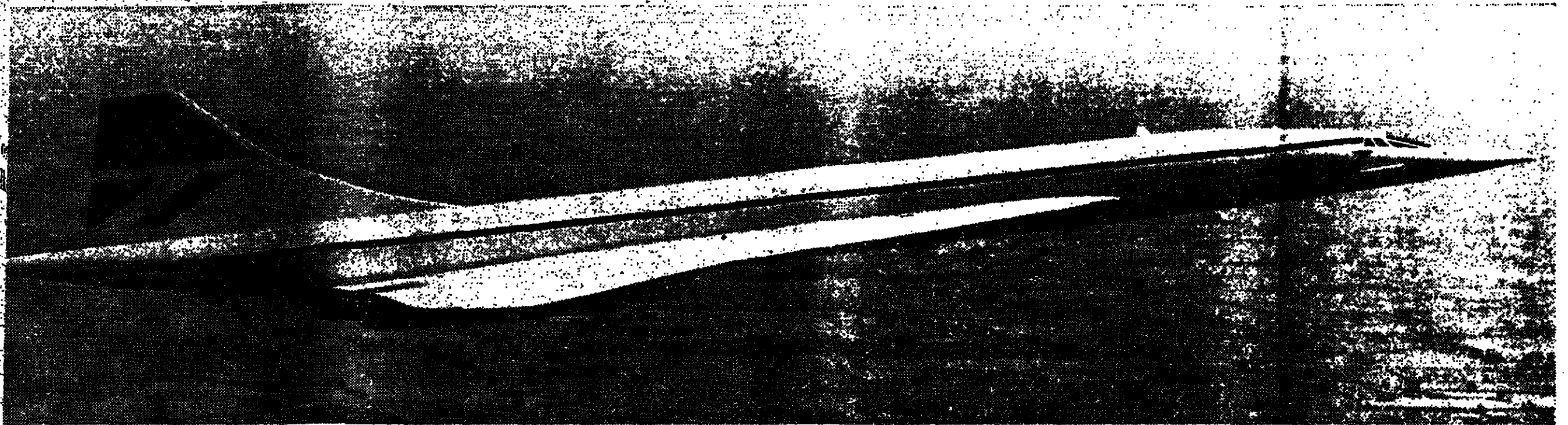
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British airways ANNOUNCE

Wednesday, January 14, 1976



Supersonic services to Bahrain start January 21



CONCORDE—JUST 7 DAYS TO GO

Announce Reporter

BRITISH AIRWAYS will introduce a new era in civil aviation next week when it begins supersonic services with fare-paying passengers with Concorde.

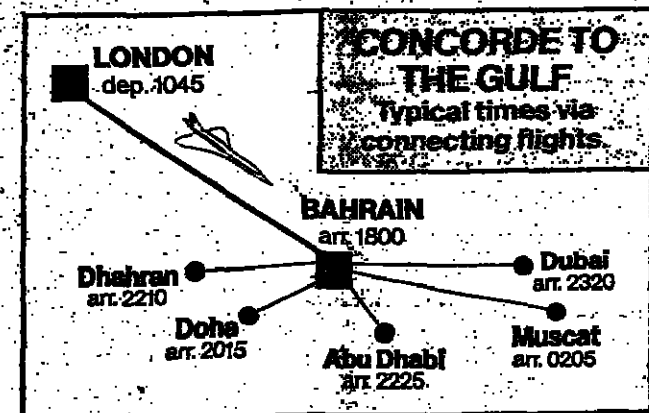
The British Airways Concorde will cover the 3,500 miles between London and Bahrain at least two hours quicker than the fastest subsonic jet—despite more than an hour of subsonic flight across the continent of Europe.

Businessmen working in the world's major financial, commercial and industrial centres are expected to use Concorde as an important new business tool.

Concorde will help them to make better use of their time, get them to their destination fresh and alert, and give them and their companies a prestige that no other form of travel can bestow—all for just £45 more than the normal one-way first-class fare.

British Airways' scheduled flights from many major cities in Europe will carry executives to Heathrow in time for the Bahrain-bound Concorde flight.

Passengers for other areas in the Gulf and beyond will be able to join connecting flights at Bahrain and will, in most cases, arrive at their destinations sooner than if they had flown direct by subsonic jet.



As Concorde climbs away from the Heathrow runway on its first scheduled service in the new supersonic era, it will be the culmination of 20 years of planning by the British aircraft industry.

It was in November 1956 that a Government committee first met to consider the feasibility of an airliner which would carry passengers in comfort at speeds of up to 1,350 miles an hour.

Six years later, Britain and France signed an agreement to design, develop and manufacture such an aircraft.

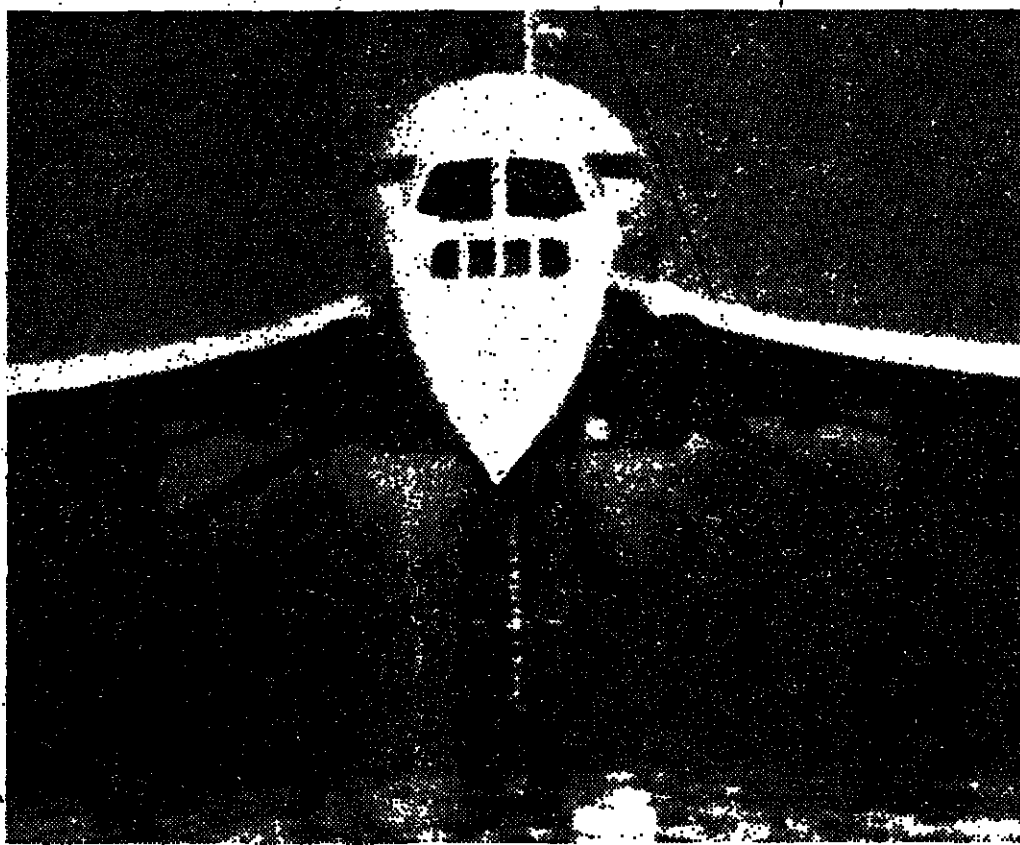
5,500 hours

First flight took place on March 2, 1969, and by the time it enters service, the British Airways Concorde will be the most tested new airliner in the history of aviation.

When it received its type certificate from the Civil Aviation Authority in December, Concorde had flown a total of more than 5,500 hours—of which over 2,000 were at supersonic speeds.

British Airways has been closely associated with Concorde planning for many years. Indeed, as BOAC, it began detailed examination of supersonic aviation as far back as 1958.

Every detail has been worked out so that a Concorde trip will be so quick and effortless, both in the air and on the ground, that no businessman who has experienced it will want to fly any other way.



Bahrain—Oil centre of the Middle East

SURROUNDED by an area rich in natural resources, and with Dhahran, Doha, Abu Dhabi, Dubai and Muscat grouped around it, Bahrain is fast becoming one of the oil centres of the Middle East.

Its airport, which can take Concorde and all modern jets, is the best-equipped and most widely-used in the whole area—and further massive expansion is planned.

Cargo for many parts of the Gulf is received by Bahrain's modern seaport. And the Organisation of Petroleum Exporting Countries (OPEC) has ambitious plans for a dry dock in Bahrain, capable of building massive supertankers and of receiving vessels of up to 375,000 tons.

New discoveries of gas have enhanced the country's future prospects still further.

A new desalination plant is also planned. The existing aluminium industry is to be expanded. And new hotels are constantly being erected to cater for the never-ending influx of businessmen from both the Arab and western worlds.

Announce Reporter

It was in 1932 that Bahrain became the first spot in the Gulf, outside Iran and Iraq, where oil was discovered in commercial quantities. Since then, it has advanced from a country based on traditional crafts, to a wealthy industrialised state.

For more details
see your local
travel agent

'Half-day
return to
Canada,
please'

ONE British executive has proved Concorde's worth. John Britten of Fairley Britten-Norman, the Isle of Wight-based manufacturer of the Islander and Trislander commuter airliners, used the speed of the Concorde development flights last summer to go to Newfoundland in a morning and complete a sale of two planes worth £200,000. Mr Britten left Heathrow in a British Airways Concorde at 8 am, completed the deal at Gander airport and was back at Heathrow in time for lunch.

Tomorrow the world

AN EVENTUAL world network of supersonic services with their fleet of five Concorde is planned by British Airways, building on the experience of its London-Bahrain flights.

The plan is to extend the route from Bahrain down to Australia by way of Singapore.

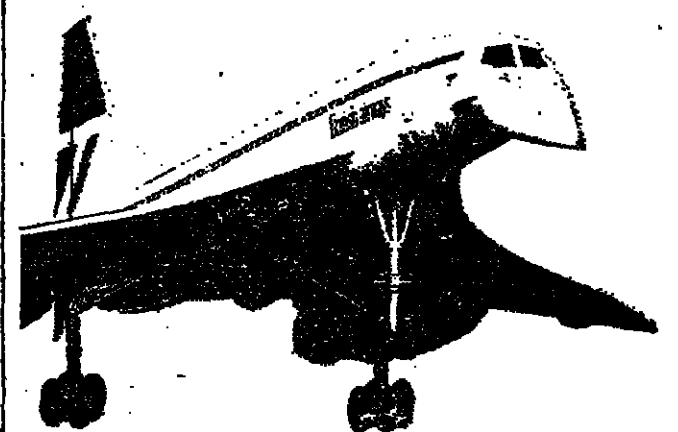
In the opposite direction, Concorde will speed between London and the important business centres of New York and

Washington in just over three-and-a-half hours compared with the present subsonic time of around seven hours.

To the south, British Airways plans to fly to Johannesburg with one intermediate stop, and to the east to Tokyo with one stop in the Soviet Union.

Planning for the opening up of all these routes is well advanced within British Airways, but will depend on numerous political considerations.

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Industrial investment 'lowest for 12 years'

Lord Briginshaw for oil corporation Board

LORD BRIGINSEAW, former general secretary of NATSOPA (the National Society of Oil and Petroleum Printers, Graphical and Media Personnel) has joined the Board of the British National Oil Corporation which meets for the first time in Glasgow to-day.

A member of the British Overseas Petroleum Association, Lord Briginshaw was a member of a trade mission which last November, visited Iran. He was a member of a study team viewing export potential for companies manufacturing equipment for the oil and gas industries.

Lord Briginshaw is the 12th member to be appointed to the Board of the state oil undertaking. Like the others—except the chairman, Lord Kearton—he will be a part-time member.

His appointment represents an oil industry executive to its Board, however, an omission resented by some in the oil industry although it is understood that a number of oil company executives have been approached for the post. Among those with direct energy industry experience is Mr. Denis

Brake, chairman designate of the British Gas Corporation although his appointment has been criticised by the Conservatives. It is the Government's intention that British Gas should remain outside BNOCC. Mr. Patrick Jenkin, Opposition Energy spokesman, said: "It is not as if he sits on both sides of the table."

Lord Balogh, former Minister of State at the Department of Energy, has also been appointed a BNOCC Board member as part-time deputy chairman.

Lord Balogh met to-day at what is described as "a get to know you" meeting. However, with the National Coal Board's offshore interests already under its belt; a substantial part of Burmah Oil's North Sea assets likely to be transferred shortly; participation in gas fields being concluded with a number of other operators and a new round of licensing agreements scheduled this year, the Board already has a full agenda of work over the next few months.

A new power, North Sea,

Page 17

Stressing the need for collective action, he said that he hoped that the council to-day would "endorse the Government's proposed programme of detailed sectoral discussions to identify what needs to be done by the Government, management and trade unions, both severally and together, to attain objectives in improving productivity through, for example, getting better use out of existing plant, or introducing new technologies."

Concordes enter service in harmony

Shipbuilding Board post

BY OUR LABOUR STAFF

A FORMER full-time official of the Electrical and Plumbing Trades Union, Mr. Kenneth Griffin, is to be deputy chairman of British Shipbuilders, the body that will take shipbuilding and ship-repairing industries after nationalisation.

He has been appointed a deputy chairman of the organising committee for nationalisation. Mr. Eric Varley, the Industry Secretary, announced yesterday.

Mr. Griffin, aged 47, is at present an industrial adviser to the Department of Industry, but was earlier a district secretary in South Wales of the Confederation of Shipbuilding and Engineering Unions for ten years.

Mr. Varley said he was looking, through the Confederation, for more trade unionists to serve on the organising committees for both British Aerospace and British Shipbuilders.

Meanwhile, the Mail Users Association, which represents bus, train and postal service workers, has appointed Mr. Michael Corby, 31, as its first director.

He has seven years' experience in Post Office management.

Accountants plan joint body to fix auditing standards

The proposed auditing standards will fall under the same headings. At the personal level of the auditor they will deal with questions of independence and objectivity in the conduct of audits. At the operational level they will deal with the auditing techniques to be used in the audit. The ICAEW has set up a steering group to coordinate the work of the proposed standards committee and the proposed standards committee will be set up under the auspices of the Consultative Committee of Accountancy Bodies but the principal members will be the three principal bodies of Chartered Accountants and the Association of Certified Accountants. It is expected that the Rt Hon. Richard Marsh, CBE, will be the chairman of the Auditing Practices Board. The ICAEW has set up a steering group, the responsible for the initiation of the Sandilands has set up five working parties to deal with the various areas arising from system of taxation and

Radioactive risk to miners 'to be ended in months'

A RADIOACTIVE RISK to miners has come to light after 10 months, according to the Health and Safety Executive.

The risk, which has nothing to do with use of nuclear energy, comes from gas released by naturally radioactive minerals mined in Britain. This increases the miner's chances of developing lung cancer.

The Health and Safety Executive said the risk could be reduced by an urgent programme of improved ventilation. Implemented since the risk had been found by the

National Radiological Protection Board, has so far narrowed the number of mines at risk to three Cornish tin mines, employing about 500 men.

Only mining of minerals other than coal, accounting for less than 3,000 men in Britain, is at risk. To court the risk of leaving radon and its radioactive decay products ("daughters").

But a survey by the Board in 1973 estimated that about 40 per cent of these miners were exposed to concentrations of radon and its "daughters" higher than the level considered acceptable.

the Mines and Quarries Act of the Health and Safety Executive.

Of 12 mines originally listed as exposing miners to unacceptable levels, the Cornish mines (with tin, silver and lead) Geveor (tin) and Wharfedale (lead) exceeded the limit.

Britain has 100 mines, including minerals other than coal, and 100,000 miners, of which 41 are in the coal industry, of which 41 are 70 per cent of non-coal have been surveyed.

National Radiation P. Board, public watch

Poison blackmail attempt against Cadbury alleged

TWO MEN tried an \$50,000 distribution of Cadbury's Smoash candy by threatening nationwide withdrawal of the firm's products distributed with poisons, a jury at Birmingham Crown Court heard yesterday.

The demands were made in a letter and phone calls to the company's directors under the code number 21 and warned of carnage, if the 'e' were not met.

It was, said Mr. Brian Escott Cox, QC, prosecuting, a "wicked and vicious scheme, alarming in its nature."

He alleged that to back up their demands, the men sent the company an envelope containing enough strychnine to kill 100 people and a note saying that the poison had been put in 6,000 boxes of Cadbury's Smoash and also in apple soups.

John Christopher Curley (30), of Fort Park, Cliverston, Cumberland, and Francis James Mullaity (32) of Whitebeam Road, Chelmsley Wood, Birmingham, denied making an unwarranted demand for \$50,000 from Cadbury's Schweppes with the nameless man to distribute the company's products contaminated with poison.

They also denied having a loaded shotgun in a pub.

Curley also pleaded to stealing a bottle of acid and other goods, stealing a book, Guide British Enterprises, from a pub, and a stolen car from the Birmingham County Council.

Mullaity denied distributing strychnine in the retail stores.

The men were caught when they drove up to collect a case full of ransom money from a postman's postbox by Cadbury's executive.

They built a storehouse and a stolen library box found in their car.

Mr. Escott Cox said told police only he and were involved in the scheme. "No harm was done," he said.

The strychnine was sent as a letter. I liked it and his stomach for a few days, in a statement.

The jury were shown a bottle of hydrochloric acid and an envelope found in Mullaity's garden since the letter showed strychnine which it was said have been used to taint Cadbury's Smoash.

The trial was adjourned to Friday.

Leaders should round Horn before week-end

THE LEADING YACHTS, Race, "Financial Times" Clipper, "Great Britain II" and "Australia". Great ketch Anascoda II have now entered an area of the Southern Ocean, 1,000 miles to the west of Cape Horn in the Southern Pacific where radio communication is almost impossible using the radio sets aboard the yachts. The yachts are blocked from Europe by distance and the weather. Their only hope of contact is a Royal Naval survey ship possibly on station in the southern latitudes, but estimated positions, calculated by experts in London, based on the progress of the Dutch yacht Great Escape, show that the boat should round Cape Horn on either side of Saturday, all being well. Great Escape was seven days astern of her leaders when reporting on Monday.

During the 1974 race around the world Great Britain II took the lead, but the ketch Cape Horn followed a route that was widely regarded as the course taken by the Royal Naval yacht Adventure, but, with the present skipper of Great Britain II, Roy Mulleider, aboard, sailed a course along the 60 degree latitude, pursued by GB II as she tried to follow it. But if it is making good use of previous experience, for two years ago Great B was first to Rio, Advent first on handicap.

Brigadier John Bagnall of Great Britain The outward leg from Los Angeles told me that navigation in the S Ocean was difficult. Da for several days are off on dead reckoning, often mistically calculated. Finally verified by a sun sight, this can produce run of apparently no dimension.

A little news is available Sydney of the poor repairs to the French Kriter II except that she in the water and her crew have their eyes firmly turned under sail from March, set by the March. They got only to be her sister but not it later, set by a yacht back to Dover, I ruary, be it Great Brital Australia's Anascoda.

[illegible]

Rand Mines Limited

Gold Mining Company Reports for the Quarter ended 31st December, 1975

(All Companies incorporated in the Republic of South Africa)

Office of the Secretaries of the undermentioned companies in the United Kingdom: 40, Holborn Viaduct, London, EC1P 1AJ.

**HARMONY GOLD MINING
COMPANY, LIMITED**

[illegible]

**EAST RAND PROPRIETARY MINES,
LIMITED**

ISSUED CAPITAL 13 950 000 N. shares of R1.00 each									
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST DECEMBER, 1975									
OPERATING RESULTS									
					Quarter ended				
Gold					31.12.1975		30.9.1975		
Ore milled (t)					521 000		537 000		
Gold produced (t)					304.5		304.5		
Yield (g/t)					5.88		5.88		
Revenue (R' milled)					20.58		18.5		
Cost (R' milled)					20.21		18.5		
Profit/(Loss)(R' milled)					0.37		(0.02)		
Revenue (R'000's)					10 723		10 630		
Cost (R'000's)					11 530		11 130		
Profit/(Loss)(R'000's)					193		(50)		
FINANCIAL RESULTS (R'000's)									
Worshipping profit/(Loss): Gold					R193		R154		
State assistance (tax)					R131		R131		
State assistance claimed					R1 475		R1 8		
Profit before taxation and State's share of profit					R1 759		R1 414		
Non-mining taxation/(overprovision)					R61		R12		
Profit after taxation and State's share of profit					R1 718		R1 5		
Capital expenditure					R1 234		R1 21		
Dividend declared					R288		R1 34		
Capital requirement					R166		R		
DEVELOPMENT									
Quarter ended 31.12.1975					Quarter ended 30.9.1975				
3 055 metres					3 118 metres				
Reefs		Advanced on Reef Horizon		Gold Value		Channel Width		Gold g/t	
South		18 "		5 "		2.9		51	
Composite		43		42		81		59	
Main		135		141		4.4		105	
Reef Leader		77		90		13.7		38	
Totals and Averages		273		282		3.5		71	
For Quarter ended 31.12.75		353		324		11.8		67	
Quarter ended 30.9.75		353		324		11.8		67	
These values represent actual results of sampling, no allowance having been made for any adjustments which were necessary when the ore reserve estimates were made at the end of the financial year.									
ORE RESERVES AT 31ST DECEMBER, 1975									
The ore reserves have been re-estimated as follows:-									
		Tons		Gold value g/t		Stope Width cm		Gold g/t	
Available		3 054 000		7.9		123.5		1 048	
Not available		2 106 000		6.8		149.6		1 318	

**BLYVOORUITZICHT GOLD MINING
COMPANY, LIMITED**

[illegible]

**CITY DEEP, LIMITED
CONSOLIDATED MAIN REEF MINES
AND ESTATE, LIMITED
CROWN MINES, LIMITED**

[illegible]

**DURBAN ROODEPOORT DEEP,
LIMITED**

ISSUED CAPITAL R2 325,000 in shares of R1.00 each													
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST DECEMBER, 1975													
OPERATING RESULTS					Quarter ended								
					31.12.1975	31.12.1974							
Gold produced (kg)					498 000	498 000							
Ore milled (tz)					1 750	1 774							
Yield (g/t)					2.74	2.74							
Ore milled (million tons)					17.74	17.74							
Cost (Rt milled)					15.78	15.78							
Cost (Rt milled)					15.78	15.78							
Revenue (Rt000's)					8 822	8 822							
Profit (Rt000's)					7 862	7 862							
Profit (Loss) (Rt000's)					(762)	(1 300)							
Payroll					6 797	8 587							
Payroll concentrate recovered (tz)					—	—							
FINANCIAL RESULTS (Rt000's)					—	—							
Operating profit/loss—Gold					(6762)	(R1 300)							
Working profit—Payroll					8330	R1 500							
Profit/loss—Payroll					8330	R1 500							
State assistance claimed					—	—							
Profit before taxation and State's share of profit													
					R791	R324							
Non-mining taxation and State's share of profit													
					—	(R101)							
Profit after taxation and State's share of profit													
					R791	R223							
Capital expenditure													
					R570	R577							
Quarter ended 31.12.1975					Quarter ended 30.12.1974								
5 648 tonnes					5 842 tonnes								
Advanced													
on Reef					on Reef								
Northon					Northon								
Sampled					Value								
1 418					g/t								
120					g/t								
111					Width								
6.2													

F to close old nt at Luton

Greenwells Dock future being kept under review

Group executive board posts at Terry Wiggins

Mr. Beales, manager of the company's mail-order service. Three others will join the Board of Directors, including Mr. Alick McKay, who has been appointed group managing director of NEWS INTERNATIONAL, the owner of the Sun and News of the World. Mr. McKay is at present

Gold Fields Group

VLAKFONTEIN GOLD MINING COMPANY LIMITED

ISSUED/CAPITAL: 6,000,000 shares of R1 each, fully paid.

OPERATING RESULTS:	Oct. ended 31/12/1975	Oct. ended 30/9/1975	Year ended 31/12/1975
Gold:			
Ore milled (t)	157,500	173,500	670,000
Gold produced (Sg)	764.4	824.1	3,208.3
Yield (g/t)	4.9	4.8	4.9
Revenue (R/t milled)	19.46	16.43	18.26
Cost (R/t milled)	16.22	15.62	14.95
Profit (R/t milled)	3.24	1.21	3.36
Revenue (R000'x)	3,076	2,838	12,257
Cost (R000'x)	2,555	2,694	10,081
Profit (R000'x)	521	179	2,229
FINANCIAL RESULTS (R000'x):			
Working profit: Gold	561	179	2,249
Net sundry revenue	84	101	416
Profit before taxation	625	280	2,665
Taxation	259	128	1,116
Profit after taxation	366	172	1,496
Capital expenditure	132	49	289
Loss 1977	12	5	56
Dividend	400		1,289

A dividend of R57 of 10 cents (R5,670 per share) was declared on 1 December 1975, payable to members on or about 8 February 1976. CAPITAL EXPENDITURE: The unexpended balance of authorised capital amounted to R1 December 1975 was R36,000.

DEVELOPMENT:

Main Reef

Advanced (m)	116	127	461
Sampling section			
Sampled (m)	98	68	328
Stoping width (cm)	258	210	210
At. values gold (g/t)	288	530	367

In the West-Vlaakfontein section, 117 metres were advanced, 154 metres were sampled, 104 grams per ton were estimated and a width of 112 centimetres, equivalent to 560 cm/t.

ORE RESERVE AT 31 DECEMBER 1975: The ore reserve based on a pay rate determined at a grade of 38.80 g/t of 38,800 kg Platinum is as follows:

STOPE			
Tonn	Width (cm)	Value (grams/ton)	Centimetre-grams per ton
30,400	114	9.0	1,628

On behalf of the board

F. W. J. van Rensburg, Directors
R. A. Plummeridge

13 January 1976.

THE 15,000-ton Greek freighter Erinio, badly damaged by fire while being repaired by Swan Hunter in the Tyne early last month, has now been placed under arrest in the river.

The arrest was disclosed yesterday as her owners—Pan-Oceanics Armadora, of Piraeus—were preparing to write off the vessel as a total loss and sell her to West German buyers for scrap.

An Admiralty writ has been served on the Erinio on behalf of a Peruvian shipping company—Linear Oceanics Peruana—which alleges a breach of contract by the owners under a charter party.

A spokesman for the ship's London agents said the Peruvian had said that the Erinio previously arrested in Peru for the same offence but had lost their case in court. Now they were trying again in the U.K. but the owners were contesting the claim. Security was being arranged so that the ship could be released.

The 19-year-old Erinio was severely damaged in the engine room and had her bridge and accommodation completely gutted when she caught fire.

Profit (R000's)	4,880	3,959	8,728
FINANCIAL RESULTS (R000's):			
Working capital Gold	4,880	3,959	8,728
Net sundry revenue	253	335	425
Profit before taxation and State's share of profit	5,093	4,290	9,363
Taxation and State's share of profit	978	1,469	2,463
Profit after taxation and State's share of profit	4,115	2,827	6,912
Capital expenditure	3,001	1,677	4,558
Loan Rep.	43	62	105
Dividend	3,175	—	3,175

A dividend (No. 80) of 68 cents (22,888,000) per share was declared on December 1953, payable to members on or about 6 February 1974.

CAPITAL EXPENDITURE: The estimated capital expenditure for the current financial year is R1.1 million. The unexpended balance of authorized capital at 31 December 1973 was R12.8 million.

DEVELOPMENT:

Main Reef			
Advanced (m)	2,381	5,691	4,982
Sampling results:			
Sampled (m)	390	458	928
Stopa width (cm)	134	146	161
Slope width (cm)	47	4.8	4.8
A.V. value: gold (g/t)	659	706	677
cm.g/t			
Venturestep Contact Reef			
Advanced (m)	285	254	519
Sampling results:			
Sampled (m)	18	16	34
Stopa width (cm)	158	139	139
A.V. value: gold (g/t)	21.3	26.8	28.9
cm.g/t	2,959	3,688	3,299
Carbon Leader			
Advanced (m)	64	NH	64
Sampling results:			
Sampled (m)	46	NH	46
Slope width (cm)	114		114
A.V. value: gold (g/t)	2.7		2.7
cm.g/t	308		308

SHAFT SINKING:

No. 2 Sub-Vertical Shaft: The temporary headgear and sinking arrangements have been installed on 21 Level, and the shaft has been slipped to full depth to a depth of 19 metres below 21 Level.

On behalf of the board

R. A. Plambridge) Directors
P. W. J. van Rensburg)

10 JANUARY 1974

Sampling results:

Sampled (m)	20	28	200
Slope width (cm)	188	198	108
A.V. value: Gold (g/t)	6.1	7.9	8.9
CU (g/t)	31	3.6	62

In addition, 571 tonnes were advanced in the area held under prospecting permit of which 32 tonnes on the Venterdorp Reef horizon were sampled at an average 18 grams per ton over an estimated slope width of 345 centimetres, equivalent to 466 g/t.

ORE RESERVE AT 31 DECEMBER 1975: The ore reserve based on a pay ratio determined at a gold price of R2,300 net kilogram is as follows:

STOPE				
Classification	Tons	Width (cm)	Value (grams/ton)	Centimetre-grams per ton
Venterdorp Contact Reef	2,772,000	140	31.5	4.60
Mato Reef	152,000	161	18.2	1.90
Combined Reef	2,924,000	143	30.4	4.26

CAPITAL WORKS:

No. 2 Sub-level Shaft: The new 31 Level station has been excavated and completed. The excavation of the loading boxes has been completed and equipping of the transfer level is in progress.

No. 3 Shaft: The concrete pillars and the standers have been installed for the support of the elliptical extension of the shaft.

On behalf of the board

R. A. Phimbré ;
P. W. J. van Rensburg ; Directors

15 January 1976.

WEST DRIEFDOPPING GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 14,825,168 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/12/1975	Qtr. ended 30.9.1975	6 mths. ended 31/12/1975
Gold:			
Ore milled (t)	694,800	684,000	1,378,800
Gold produced (kg)	34,967.0	39,751.8	74,718.8
Yield (g/t)	22.3	21.8	21.9
Revenue (R/t milled)	85.43	74.95	79.61
Cost (R/t milled)	19.94	17.61	18.28
Profit (R/t milled)	65.43	56.41	61.37
Revenue (R'000's)	59,676	50,779	106,475
Cost (R'000's)	12,363	12,075	24,438
Profit (R'000's)	43,511	38,774	82,232
Uranoium Oxide:			
Pit treated (t)	263,400	152,700	426,300
Oxide produced (kg)	52,300	22,700	85,000
Yield (kg/t)	0.235	0.179	0.19

Profit/Loss on sale of Uranium Oxide and Sulfuric Acid	181	2,290	(109)
Net sundry revenue	1,672	1,284	4,206
Profit before taxation and State's share of profit	45,344	49,945	24,329
Taxation and State's share of profit	25,255	21,345	49,600
Profit after taxation and State's share of profit	20,109	17,599	17,729
Capital expenditure	4,979	3,493	8,472
Loan levy	2,152	814	7,836
Dividend	24,756	—	24,756

A dividend (No. 46) of 120 cents (10/-3/10) per share was declared on 9 December 1973, payable to members on or about 8 February 1974.

CAPITAL EXPENDITURE: The estimated capital expenditure for the current financial year is R14.8 million. The unexpended balance of authorised capital expenditure at 31 December 1973 was R24.5 million.

DEVELOPMENT:

Carbon Leader			
Advanced (cm)	114	5,447	4,394
Sampling results:			
Sampled (m)	326	39	696
Stope width (cm)	305	165	205
Av. value: gold: (g/t)	33.8	6.7	1.9
Av. value: gold: (g/t)	5,568	784	47.5
Vestardorp Contact Reef			
Advanced (cm)	1,451	1,727	2,778
Sampling results:			
Sampled (m)	320	438	758
Stope width (cm)	176	154	243
Av. value: gold: (g/t)	12.2	6.7	1.9
Av. value: gold: (g/t)	2,147	835	1,652
Main Reef			
Advanced (m)	71	128	250
Sampling results:			
Sampled (m)	54	N/A	54
Stope width (cm)	476		476
Av. value: gold: (g/t)	3.5		3.5
Av. value: gold: (g/t)	1,464		1,666

SHAFT SINKING:

No. 8 Shaft: The coupling of the headgear and section of the winding-house has been completed. The shaft was sunk 24 metres to a total depth of 184 metres below collar.

No. 9 Shaft: The shaft was sunk 134 metres to a total depth of 420 metres below collar. The excavation and coupling of 20 Level station has been completed.

On behalf of the board

A. Louw	1 Directors
R. A. Phambridge	

13 January 1974.

NOTE : Copies may be obtained from the Joint London Secretaries, 49 Moorgate, London, EC2R 6BQ

are still hope for the missing Norwegian tanker, *Berge Istra*? A sea and air search, covering 500,000 square miles, has failed to find trace of the ship which was carrying cargo worth \$9m. Arthur Smith reports

An unyielding sea of mystery

wegian tanker, *Berge Istra*, last Friday when it received a message from the San Francisco Coast Guard. The message was picked up by a routine radio call to the ship at 19.24 hours on which was afterwards inspected in an area 200 km. south of the Philippines. And there were lights seen at night which were thought to be a small island.

1,000 ton vessel—three length of a football—has not been heard of.

Search of the area to yield any trace of whose disappearance some one of the maritime history.

ous clues

pping world is baffled possible fate of the ship was sailing in the area. The *Mindanao* is 34,000 ft. below the second deepest stretch of the world. The zone was justly regarded as a trouble-free for

rescue co-ordination that the *Berge Istra* was at the U.S. Air Force's base on Okinawa was

worthy condition. She is owned by Sig. Bergesen D.Y. and Co., an old established Norwegian family company which enjoys an international reputation for the safety of its operations. Indeed, the ship was approved by the Norske Veritas, the Norwegian equivalent of London's Lloyd's Register of Shipping, which sets very high standards for vessels.

Iron ore

The *Berge Istra* is a combination ship which carries either oil or bulk cargoes. When she disappeared she was carrying what was described as a partial load of iron ore.

The ship's previous payload had been oil to Rotterdam. Before the journey to Japan, the cargo was changed to iron ore. The ship was fitted with a radio transmitter able to put out a signal over a radius of 60 miles.

Norwegian experts said yesterday that it was virtually impossible that the ship could have been wrecked by a gas explosion in a cargo tank of the type which seriously damaged several super-tankers some

years ago. The most dramatic cases came in December, 1969, when three vessels were involved in separate explosions off the coast of Africa.

The main area of concern about the *Berge Istra* incident is that the vessel had disappeared without issuing any distress call. Had there been a radio failure reserve equipment was available on board. Transmission of messages in the area is sometimes rendered difficult by unusual atmospheric conditions but this would normally be only a temporary problem.

The most plausible explanation for the radio silence is that the vessel sank so quickly that no-one was able to give the alarm.

Against this, however, is the argument that a tanker of the size of the *Berge Istra*, even though carrying bulk iron ore, would take quite some time to sink. Lifeboats were on board and each of these was fitted with a radio transmitter able to put out a signal over a radius of 60 miles.

An explosion in the engine room at the rear of the vessel, which could have knocked out the radio system above, cannot be ruled out. But had this happened, or had there been an explosion in another part of the vessel, it is difficult to imagine that wreckage would not have

been found during the intensive sea and air search.

Another theory put forward yesterday was that the cargo might have shifted, but in a vessel of the bulk of the Norwegian tanker it is unlikely this would have been sufficient to cause a major accident.

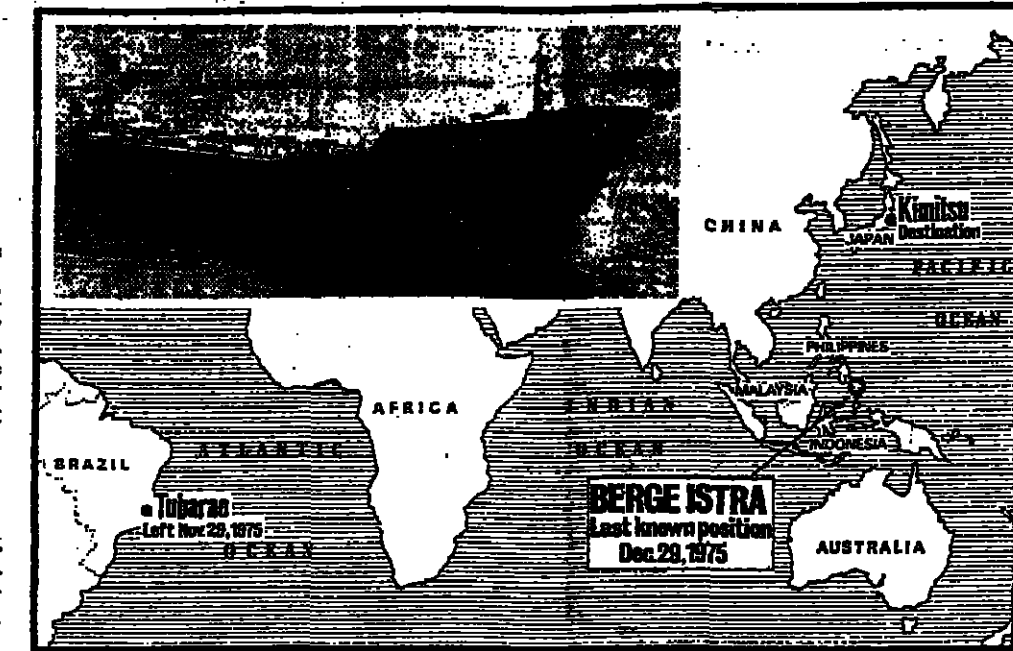
Tests

One of the most credible possibilities is that the tanker, possibly tossed and buffeted by tropical storms, may have been suffering from metal fatigue. In such a situation a crack appearing in the keel might quickly break up the vessel.

When the big oil tankers were first coming into service in the late 1950s and early 1960s there was controversy over the risk of a vessel of such a size breaking its back. However, the tests and analysis which vessels undergo before they are approved as sea-worthy by authorities, such as Lloyd's Register, are now much more sophisticated.

It is accepted that in freak weather conditions all sea-going craft are at risk and that it is necessary to establish a balance between safety and commercial viability. It would be possible to reinforce tankers further but their speed would be cut so much as to make them totally uneconomic.

Whether the search for the *Berge Istra* is the largest Lloyd's, the last significant ves-



Norwegian tanker will continue to-day remains undecided. The U.S. rescue centre at Madena, Philippines, said last night that reports were being compiled from the air crews before a decision could be taken.

Should the official search be abandoned without signs of any wreckage or survivors, the onus will rest on the owners to approach the Lloyd's Committee to post the vessel as "missing." The Committee would then pursue its own investigations before passing a formal resolution on the fate of the vessel.

Everyone on board would then be legally presumed dead and insurance claims could go ahead.

According to Lloyd's, the *Berge Istra* is the largest Lloyd's, the last significant ves-

sel to go missing and would certainly involve the biggest shipping loss.

A spokesman said that 70 per cent of the insurance had been placed in London, involving a shared liability of \$12.8m. The balance was held in Norway. While Lloyd's estimated the value of the cargo at around \$9m., the official spokesman said it was impossible at this stage to assess what proportion had been placed in London. "It would be at least a quarter and possibly more."

Several small sea-going craft were usually disappear without trace each year, but nothing on the scale of the *Berge Istra* has been known before. According to Lloyd's, the last significant ves-

sel to be lost was in the first quarter of last year when the 12,000 ton Transocean Shipper disappeared in the North Pacific.

Because of the concern within Lloyd's about the whereabouts of the Norwegian tanker the *Lutine Bell* is likely to be struck—once for a loss and twice for a recovery.

The bell is from the wreckage of a ship which sank in 1789 with \$500,000 worth of cargo. The *Lutine Bell* was later salvaged.

A Lloyd's spokesman commented last night: "So far we haven't struck the bell. We want more conclusive evidence of the *Berge Istra* than the generally expected that it will ring before long."



General Mining Group

OLD MINING COMPANIES' REPORTS FOR THE QUARTER ENDED 31 DECEMBER 1975

All companies mentioned are incorporated in the Republic of South Africa

BUFFELSFONTEIN GOLD MINING COMPANY LIMITED

Issued Capital—11,000,000 shares of R1 each.

Operating results	Quarter ended 31 Dec. 1975	30 Sept. 1975	12 months to 31 Dec. 1975
Ore milled (t)	771,000	781,000	2,332,000
Gold produced (kg)	25,000	18,000	61,000
Yield (g/t)	3.24	2.31	2.61
Revenue per ton milled (R)	19.26	18.15	18.71
Cost per ton milled (R)	21.98	23.37	22.66
Profit per ton milled (R)	2.72	5.22	3.95

Financial (R'000)	Quarter ended 31 Dec. 1975	30 Sept. 1975	12 months to 31 Dec. 1975
Working revenue	5,886	5,532	22,921
Net revenue (excluding uranium)	811	229	1,152
Net revenue (acid and pyrite)	78	121	208
Total revenue	6,773	5,882	24,281
Working costs	6,902	7,231	25,604
Underground	18,477	16,877	16,871
Surface	283	220	1,410
Per ton milled	4.90	4.67	4.69

Development	Quarter ended 31 Dec. 1975	30 Sept. 1975	12 months to 31 Dec. 1975
Advanced	6,727	8,373	34,159
Sampling results	1,194	1,341	5,556
Channel width (cm)	16	16	16
Average value (cm/g/t)	1,338	1,376	1,254
Payable (m)	834	957	3,741
Percentage	68.7	71.4	67.3
Channel width (cm)	17	17	17
Value (g/t)	88.2	103.2	101.0
Value (cm/g/t)	1,490	1,775	1,676

Development Summary for the three months ended 31 December 1975	Payable metres	Per centage payable	Channel width cm	g/t	cm/g/t
Ton Shaft	171	68.7	17.6	108.9	1,828
North Shaft	171	68.7	17.6	108.9	1,828
South Shaft	171	68.7	17.6	108.9	1,828
Veranda Shaft	171	68.7	17.6	108.9	1,828
Veranda Shaft	171	68.7	17.6	108.9	1,828
Totals	834	68.8	16.8	88.2	1,490

Ore Reserves at 31 December 1975	West	East	Total
Tons	45,000	413,000	2,062,000
Value (R'000)	120	120	120
Value (g/t)	120	120	120
Value (cm/g/t)	120	120	120
Unavailable tonnage—405,000			

STILFONTEIN GOLD MINING COMPANY LIMITED

Issued Capital—13,062,920 shares of 50 cents each.

Operating results	Quarter ended 31 Dec. 1975	30 Sept. 1975	12 months to 31 Dec. 1975
Ore milled (t)	468,000	485,000	1,768,000
Gold produced (kg)	3,874,445	3,822,000	14,637,121
Yield (g/t)	8.44	8.22	8.28
Revenue per ton milled (R)	31.00	28.87	30.24
Cost per ton milled (R)	28.82	28.83	25.58
Profit per ton milled (R)	4.38	2.04	4.68

Financial (R'000)	Quarter ended 31 Dec. 1975	30 Sept. 1975	12 months to 31 Dec. 1975
Working revenue	14,228	13,425	53,462
Net revenue (excluding uranium)	12,218	12,476	45,198
Net revenue (acid and pyrite)	2,010	949	8,278
State aid	523	848	1,371
Profit on sale of acid	22	21	77

Development	Quarter ended 31 Dec. 1975	30 Sept. 1975	12 months to 31 Dec. 1975
Advanced	2,414	1,548	6,135
Sampling results	Cr. 9	—	31
Channel width (cm)	2,613	—	4,703
Average value (cm/g/t)	108	—	36
Payable (m)	1,432	1,539	1,432
Percentage	6,727	8,373	34,159
Sampling results	1,194	1,341	5,556
Channel width (cm)	16	16	16
Average value (cm/g/t)	1,338	1,376	1,254
Payable (m)	834	957	3,741
Percentage	68.7	71.4	67.3
Channel width (cm)	17	17	17
Value (g/t)	88.2	103.2	101.0
Value (cm/g/t)	1,490	1,775	1,676

Development Summary for the three months ended 31 December 1975	Payable metres	Per centage payable	Channel width cm	g/t	cm/g/t
Ton Shaft	171	68.7	17.6	108.9	1,828
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Totals	834	68.8	16.8	88.2	1,490

Ore Reserves at 31 December 1975	West	East	Total
Tons	45,000	413,000	2,062,000
Value (R'000)	120	120	120
Value (g/t)	120	120	120
Value (cm/g/t)	120	120	120
Unavailable tonnage—405,000			

WEST RAND CONSOLIDATED MINES LIMITED

Issued Capital—4,250,000 shares of R1 each. 25,000 deferred shares of R2 each.

Operating results	Quarter ended 31 Dec. 1975	30 Sept. 1975	12 months to 31 Dec. 1975
Ore milled ex underground (t)	419,156	433,868	1,550,503
Ore milled ex surface dumps (t)	57,844	45,134	300,497
Total Ore milled (t)	477,000	479,000	1,851,000
Gold produced (kg)	1,591,207	1,592,946	6,381,190
Yield (g/t)	3.34	3.33	3.44

Financial (R'000)	Quarter ended 31 Dec. 1975	30 Sept. 1975	12 months to 31 Dec. 1975
Working revenue	5,886	5,532	22,921
Net revenue (excluding uranium)	811	229	1,152
Net revenue (acid and pyrite)	78	121	208
Total revenue	6,773	5,882	24,281
Working costs	6,902	7,231	25,604
Underground	18,477	16,877	16,871
Surface	283	220	1,410
Per ton milled	4.90	4.67	4.69

Development	Quarter ended 31 Dec. 1975	30 Sept. 1975	12 months to 31 Dec. 1975
Advanced	7,185	7,451	27,014
Sampling results	15,06	15,66	14,69
Channel width (cm)	412	1,570	2,733
Average value (cm/g/t)	849	1,471	3,893
Payable (m)	1	39	126
Percentage	438	(60)	1,286
Sampling results	9	15	59
Channel width (cm)	428	(75)	1,227
Average value (cm/g/t)	126	183	873
Payable (m)	174	192	658
Percentage	23.5	26.1	27.7
Channel width (cm)	88	98	98
Value (g/t)	20.37	20.95	19.02
Value (cm/g/t)	1,767	2,003	1,833

Development Summary for the three months ended 31 December 1975	Payable metres	Per centage payable	Channel width cm	g/t	cm/g/t
Ton Shaft	171	68.7	17.6	108.9	1,828
North Shaft	171	68.7	17.6	108.9	1,828
South Shaft	171	68.7	17.6	108.9	1,828
Veranda Shaft	171	68.7	17.6	108.9	1,828
Veranda Shaft	171	68.7	17.6	108.9	1,828
Totals	834	68.8	16.8	88.2	1,490

Ore Reserves at 31 December 1975 Gold Section	West	East	Total
Tons	45,000	413,000	2,062,000
Value (R'000)	120	120	120
Value (g/t)	120	120	120
Value (cm/g/t)	120	120	120
Unavailable tonnage—405,000			

SOUTH ROODEPOORT MAIN REEF AREAS LIMITED

Issued Capital—1,420,663 shares of 56 cents each.

Operating results	Quarter ended 31 Dec. 1975	30 Sept. 1975	6 months to 31 Dec. 1975
Ore milled (t)	85,400	82,550	168,050
Gold produced (kg)	461,327	392,445	853,772
Yield (g/t)	5.40	4.75	5.08
Revenue per ton milled (R)	19.26	18.15	18.71
Cost per ton milled (R)	21.98	23.37	22.66
Profit per ton milled (R)	2.72	5.22	3.95

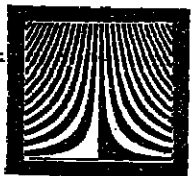
Financial (R'000)	Quarter ended 31 Dec. 1975	30 Sept. 1975	6 months to 31 Dec. 1975
Working revenue	1,645	1,500	3,145
Net revenue (excluding uranium)	1,877	1,931	3,808
Net revenue (acid and pyrite)	232	431	663
State aid	348	377	726
Profit on sale of acid	13	9	22

Development	Quarter ended 31 Dec. 1975	30 Sept. 1975	6 months to 31 Dec. 1975
Advanced	989	1,513	2,502
Sampling results	336	579	915
Channel width (cm)	100	79	87
Average value (cm/g/t)	600	402	475
Payable (m)	128	143	271
Percentage	38.1	24.6	29.6
Channel width (cm)	91	102	97
Value (g/t)	9.91	10.52	10.23
Value (cm/g/t)	902	1,069	980

Development Summary for the three months ended 31 December 1975	Payable metres	Per centage payable	Channel width cm	g/t	cm/g/t
Ton Shaft	171	68.7	17.6	108.9	1,828
North Shaft	171	68.7	17.6	108.9	1,828
South Shaft	171	68.7	17.6	108.9	1,828
Veranda Shaft	171	68.7	17.6	108.9	1,828
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Totals	834	68.8	16.8	88.2	1,490

Ore Reserves at 31 December 1975	West	East	Total
Tons	45,000	413,000	2,062,000
Value (R'000)	120	120	120
Value (g/t)	120	120	120
Value (cm/g/t)	120	120	120
Unavailable tonnage—405,000			

1976



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

QUALITY CONTROL

Aluminium in sea going vessels

INCREASING USE of aluminium in ship superstructures, hulls and critically important liquid natural gas tanks is carriers have led to the nomination of Alcan as the first aluminium producing company allowed to substitute its own quality assurance schemes for the traditional direct inspection of products by Lloyd's Register surveyors.

Similarly, the immense growth of the shipbuilding industry in Japan and the heavy burden it represents to carry out the same functions by Lloyd's, has brought about a similar decision in respect of a number of ship products for Nippon Steel and Sumitomo Metal.

The new Quality Assurance Scheme for Materials is a procedure for the inspection and certification of materials used in hull and machinery construction which, subject to special approval, may be adopted as an alternative to direct inspection of products by the Society's surveyors.

This scheme recognises the advanced production and quality

control procedures now developed by manufacturers. These procedures clearly must be of high standard for approval to be given by Lloyd's Register. They will be subject to frequent surveillance by surveyors to ensure that satisfactory standards are being maintained.

The scheme is applicable to materials which are manufactured in quantity by semi-continuous or continuous processes under closely controlled conditions. But initially it will be restricted to steel and aluminium alloy hot-rolled plates, strip sections and bars intended for hull construction and to closed-die steel forgings.

Manufacturers who wish to seek approval should have an established reputation for supplying quality products and will have to demonstrate to the satisfaction of Lloyd's Register that they employ suitable quality control procedures which are supervised by a works department not subject to the dictates of production.

Lloyd's Register will then

carry out a detailed survey of the works. If this confirms that the manufacturing and quality control arrangements meet the required standard a Quality Assurance Approval Certificate will be issued, valid for 12 months, with renewal subject to satisfactory performance.

After approval, products may be despatched with test certificates signed on behalf of the manufacturer by an authorised senior member of the Quality Control Department. These certificates will be countersigned by the attending surveyor to certify that the approved arrangements for manufacture and quality control are being kept under review by regular and systematic auditing.

Granting of the certificate to Alcan is expected by the company to result in an immediate increase of around 20 per cent. in its exports of aluminium structural plate, particularly for use in the construction of liquefied natural gas tankers to be built in Europe.

are removed by fork truck, and the next empty pallet presented.

Both floor-mounted and floor-recessed designs are available—the latter being sunk into a small pit which also accommodates the underslung hydraulic rams, and allows unobstructed floor-level pallet approach.

With the floor-recessed model eight drums may be palletised on a single pallet (in two lines of four), provided length and "spread" of the pallet and pallet truck are adequate.

COMMUNICATIONS

U.K. pagers in Danish parliament

MULTITONE, first developer of commercial pocket paging and retaining 30 per cent. of the world market, has equipped the Danish parliament building with an advanced system.

Some 250 members and essential staff can be individually bleeped to call them to the telephone and members of up to ten political parties can be paged as separate groups of up to 50 by means of a single keyboard operation.

An independent power-pack with mains-electric or air motor powering the hydraulics, is connected to the palletiser by flexible hydraulic hose.

Built by Lodematic, Primrose, Cheshire, Lancs., BB7 1BS (0300 22233), the palletiser may be equally applied to positioning of large cartons, kegs, barrels and bales onto palletboards and skidways, and to off-loading onto roller-rack, scissor-action tables or other lifting or lowering devices.

COMMUNICATIONS

To call a particular person a phone operator keys the corresponding three-digit number on a small pushbutton unit, the same number appearing on her digital display. The system queues numbers and shows the queue on the display. Each call in the queue is sent twice with a 20-second interval.

The operator can also tell who is in or out of the building; a member who has left should have put his pager in the appropriate pigeon hole at any of the exits; if such a unit is called by the operator she hears a special tone. If a member tries to leave with his pager it will beep continuously as he approaches any exit since they are all fitted with a small loop to which the units respond.

TRANSPORT

Bus design keeps cost down

DEVELOPED in conjunction with the Ford Motor Co., the Ministry of Defence standards, is a 20 seat bus introduced by Hawson-Garner, Brooklands Close, Windmill Road, Sunbury-on-Thames, Middlesex, TW16 7DY (Sunbury 89601).

Based on the Ford "A" Series 156 inch wheel base chassis cowl (truck frame)—petrol or diesel engine, the bus body is framed with welded rolled steel sections and panelled with 18 swg aluminium. The roof and front canopy are glass fibre mouldings. Sliding cab doors are fitted, with double quarter doors at the rear. Fluorescent lighting, full heating and ventilating, and large windows contribute to passenger comfort.

Design philosophy was to provide a comprehensive specification with no hidden extras while keeping the cost below that normally paid for a coach, says the company, which estimates the vehicle should be about £1,000 cheaper than its competitors. Unladen weight has been kept as low as possible (the petrol version is about 2 tons 16 cwt.).

If required, the bus can be fitted with more luxurious seats, or with 24 seats. A public service version should be available by early summer.

SECURITY

Deters the snatcher

A LETTER box type opening is a novel feature of an in-store cash carrying case developed by Valomatic of Taurus House, Kingsfield Road, Coventry.

The case, which has a steel reinforced aluminium frame, is strapped to the wrist and an attempt to snatch it sets off a piercing siren. The alarm cannot be confused with other types of alarm and works on a radio frequency. The case has been designed primarily to meet the need for an improved method of collecting cash from perhaps a dozen check-out points—the money or cash bag is simply pushed in past the spring loaded letter box flap.

PERIPHERALS

Keeps data costs in check

FOUR TIMES Queen's Award for exports winner Redifon yesterday unveiled equipment which could give its computer division an even bigger winner than the Seebeck system, which has gained significant markets in Eastern Europe, despite severe competition during periods of more than average defects from equipment made in and exported from the U.S.

Seebeck describes powerful data capture and management equipment which is technologically years ahead of punched card or punched tape systems for feeding data into computers. Redifon is the equipment newly announced and intended for the smaller user, or for big organisations who are finding the cost of running massive central computing services more than they ever bargained for.

It is primarily a direct replacement for the card punch room, able to cope with from one to eight input stations. It is also suitable for use as one or more stations at points far distant from the central computer of a large company, turning all the local information into "talk" suitable for the main computer, without any need for user intervention since the appropriate translators are available from Redifon and are installed when the equipment goes in.

Yesterday, Redifon management said the punched card and paper tape were now totally

obsolete. Companies with many thousands of key punch machines could give up the old well-disposed. But users with the courage of their own convictions Seebeck system, which has gained significant markets in Eastern Europe, despite severe competition during periods of more than average defects from equipment made in and exported from the U.S.

One Redifon user, speaking for Total, said he had agreed to the move from punched cards to a key-punch system from Redifon, with misgivings. But the situation was such that more and more the card punches were breaking down, more and more maintenance made its absence felt and essential work in support of management in an increasingly hostile world was falling behind.

Since the change-over 18 months ago, effected during a week-end, there had been significant breakdowns. Staff was extremely happy with the new displays and keyboards. Over time on data capture had disappeared and a 20 per cent. higher working was being carried for a staff increase from seven to eight.

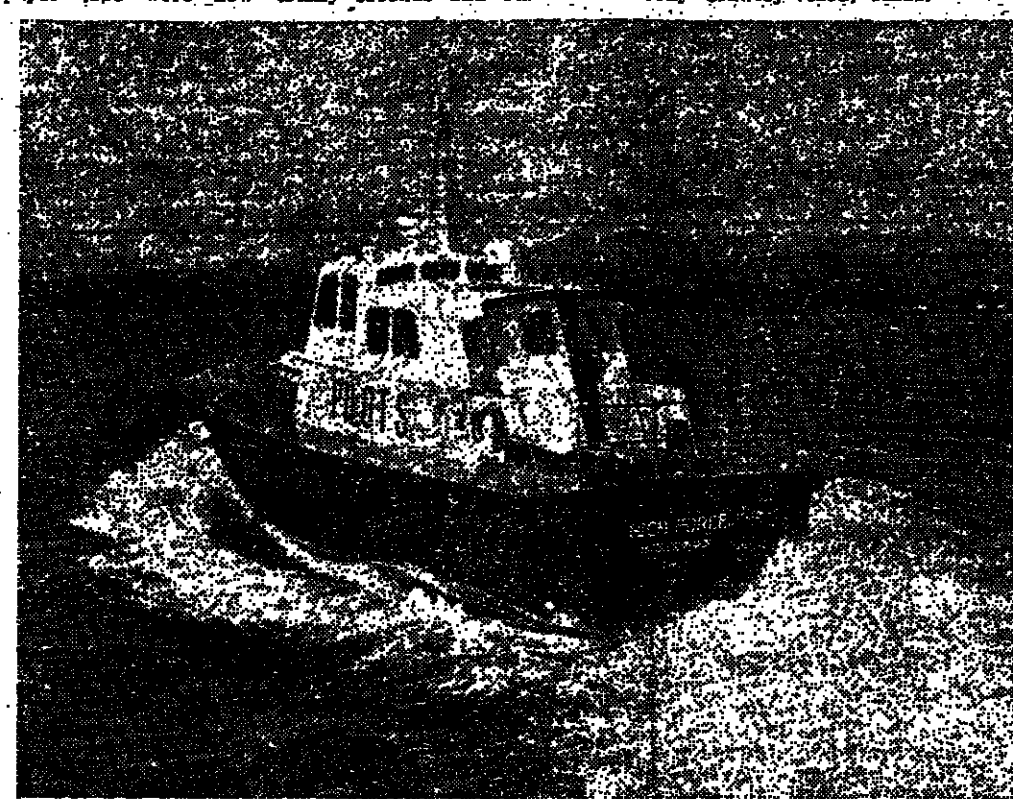
Because the problem is complex and the past year has seen a gradual change in the functions of Total data processing department, it is difficult to make a straight economic comparison between staying with punched cards and moving to key-to-disc. But information retrieval now takes seconds instead of hours. Information change on a piece of basic data also takes seconds and staff are directly

involved with the operation of the company. In all, provision of up-to-the-minute information on vital positions, stocks and so on is within the company's grasp, and that at a fraction of the cost that would have been needed had Total remained with punched cards.

Direct competitors of Redifon on the new equipment are CMC, Inforex and MDS. However, the new design has three to four years experience of manufacture and user advice, together with the explosive development of the microelectronics industry, behind it.

Moreover, Redifon is no here-to-day and gone-to-morrow company since it is part of the Redifusion Group, itself part of BET, a £200m, a year British organisation. In fact, the computer section of Redifon can claim with reason to be the second largest wholly British-owned manufacturer of computer equipment in the U.K., second that is only to ICL.

Because of the fact that so many large companies are appalled at the soaring cost of centralised computer operation, it is quite possible that application of Redifon's remote data capture installations will outstrip its use as a replacement for wholehearted card equipment. Redifon Electronics Systems, 17 Kelvin Way, Crawley, Sussex, RA11 1JH (0293) 31211.



This is the first of a new class of pilot cutter to be put into service by the Tets Pilot Cutters Company at Middlesbrough. It has been built on a G. L. Watson Poseidon 52 hull and has been fitted out by Alexander Robertson and Sons using hull and superstructure mouldings made by the Tyler Boat Company, of Tonbridge, Kent.

With a displacement of 22 tonnes, the vessel has accommodation for a crew of three and six passengers and a speed of over 17 knots. It will serve big carriers bringing iron ore to Middlesbrough and the increasing number of oil tankers operating as the North Sea oil fields develop.

TEXTILES

Scours and mills the raw wool

MANY of the processes used in the wool industry are traditional and are based on the specific physical properties of the wool fibre which differs from other fibres in that the surface of wool comprises a series of minute scales. These scales make it possible to felt the fibres and allow special effects to be achieved, such as the well-known milled finish.

Recently a new and fully automatic combined scouring and milling machine has been developed in Yorkshire by Holmes, Heaton and Co. (Huddersfield), New Grove Works, Honley, Huddersfield. The secret of milling is to retain heat and have maximum movement of the fibres in the hot wet atmosphere within the milling machine.

thereby bringing about the required milling or felting. The Holmes/Heaton CSN machine has been designed to simplify the process which, in the past, has tended far too much to be dependent on craft skills and attaining consistent finish was often extremely difficult.

Now, assuming a standard construction of cloth is used, it is very much easier to programme the machine for specific finish and come very close to it with the single-stage process, although it may well be that slight final adjustments will be necessary because wool is a natural fibre and varies from bale to bale and from clip to clip.

Built in stainless steel a wood beck can be supplied as it is sometimes felt that this keeps in the heat more effectively—the CSN can be used as a simple scouring machine or, by setting the "throat" through which the ropes of fabric pass, it can combine scouring with milling. It is built in three versions of 2+2, 4+4 and 8+8 which means that there are one, two or four piece of cloth.

milling heads, as each head processes a pair of ropes of fabric which pass through the machine in parallel. The pressure applied in the milling tends to adjust the fibres for different fabrics and different finishes.

Washing aids such as detergents are metered automatically to the liquor in the machine and the automatic monitoring of the number of passes made by a rope represents a saving in both time and labour.

As the fabric mills — or felts — so, it contracts and this degree of shrinkage is also measurable within the new machine by means of an extremely simple counter which notes the length of the piece at the start of the process and will then show the amount by which it has shrunk at any time this may be required.

The actual processing programme is controlled by a perforated card which is fed into a 16-channel controller that, once prepared, allows the finisher to reproduce precisely the processing conditions for a particular

STANDARDS

New step to one design in wiring

FORTHCOMING publication of three revised British Standards marks an important step towards common specifications for wiring cables and flex. European countries. This committee operates under the auspices of CENELEC (European Committee for Electrotechnical Standardisation).

The new standards, which are being published in the U.K. as BS6004, BS6004 and BS6007, can be regarded as logical extensions of the process of metrication of cable standards, which was initiated in the 1969 edition of the first standards. They are the first standards issued in this country to include harmonised designs accepted throughout the EEC.

Although many of the changes brought about by the revisions are marginal, harmonisation of cable types and approval procedures by the Common Market countries will be welcomed by industry as removing a major barrier to exports of electrical equipment. It has not been possible to agree harmonised cable standards without some exceptions, however. The retention of some cable designs in particular,

has been undertaken by a committee representing users, manufacturers and other bodies from EEC and other European countries. The committee operates under the auspices of CENELEC (European Committee for Electrotechnical Standardisation).

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countries to meet long-standing practices has been allowed and such cables will now be established as national standards. For instance, BS6004 includes, for example, a 16-core cable, a national type but not as a harmonised design.

The LV Directive makes provision for the certification of equipment to harmonised standards, the purpose being to provide an independent assurance to consumers that products bearing the certification symbol of nominated approval bodies comply fully with specified standards. The Government has nominated BSEC (British Approvals Service for Electric Cables) to the EEC as the only British organisation to issue marks of certification so far as cables are concerned.

Members of the Electric Cable Makers' Confederation will be able to provide users of cables and cords with any advice or guidance they may require on the new specifications. BICC (Wiring and General Cables), Helsby, WA6 0DJ, Helsby (082 82) 2700, for further details.

MACHINE TOOLS

Machinable mandrels

FOR USE with all type of lathes and fixtures in conjunction with Aero-Grip internal master units and collet closing equipment, Aero-Vu, 29, Burners Lane, Kila Farm Industrial Estate, Milton Keynes, Bucks., MK11 3BU (0908 313040), has introduced internal expanding machinable mandrels ranging from 1 to 9 inch diameter by 1 or 2 inches length. The mandrel blank is installed

on the machine, slightly expanded using the collet mechanism, and cut to the required diameter and length. There is no linear movement of the mandrel and locations for components may be either in the bore or on back faces. The maker says very close concentricity is possible as the holding diameter is cut on the machine in use, and components may be

held in the bore using the Aero-Grip mandrel for all types of milling and drilling. Mandrels may be removed and replaced without losing concentricity, because of the close tolerance locating diameter ground on the master unit, and the corresponding diameter on the mandrel. Prices are said to be competitive (1 1/2 inch diameter x 1 inch long blank—£2.50).

By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

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PROCESSING

Bitumen oxidising plant

LANCASHIRE Tar Distillers is constructing a bitumen oxidising plant and ancillary handling and bagging facilities at its works at Preston Docks. This plant is designed to make established grades of oxidised bitumen. Special grades outside standard specification will also be produced against substantial inquiries.

The plant, ancillary facilities and extensive storage is being built by the company's own engineering department, to designs supplied by Fina Italiana and will cost £300,000. The bagging plant is designed and supplied by Design Containers, Inc., Jacksonville, Florida, U.S.

Consisting of two units it will initially operate on a "batch" basis but is designed so that each section can be switched to continuous operation. Initial capacity will be 24,000 tonnes a year, increasing to 34,000 and ultimately 50,000 tonnes when changed to continuous working.

This capital expenditure on new plant is part of a £1m. investment programme by LTD in 1976 plus £100,000 for replacement road tankers.

Lancashire Tar Distillers (061-775 2644) is U.K. sales agent for Fina (U.K.) and takes supplies from the Lindsey Refinery.

COMPONENTS

Martonair bellows agreement

MARTONAIR is marketing the Pneumatic air bellows range by an agreement with Dunlop Suspension Division. Under the terms of the agreement Martonair is the sole distributor in the U.K. and the Republic of Ireland, and will handle all applications for the units in the industrial field.

The bellows have a wide range of applications, both as linear actuators and vibration isolation devices, and are available with nominal diameters from 6 to 10 inches and either 2 or 3 convolutions, to provide a variety of working movements.

Moulded in flexible reinforced Neoprene rubber, the units can be operated on air pressure up to 3 bar (120 psi). Mounting is by means of 4 M8 metric threaded studs in the steel end plates and there is a single 1 inch BSP inlet port.

Being flexible and virtually of one piece construction, the bellows have a number of advantages over conventional air cylinders. They are, of course, much lighter, have no mechanical parts, such as seals, diaphragms or bearings to deteriorate, no piston rod and therefore no alignment problems, plus minimum overall dimensions for a given diameter and operating stroke.

POLLUTION

Diesels run cleaner

REDEX is launching a new formulation of fuel additive for diesel engines. Under the name of Redex, the product is more concentrated than the product it replaces. Redex says the treatment cost of about 1p per gallon provides reduced fuel consumption, extends service intervals, cuts smoke emission and deodorises exhaust gases.

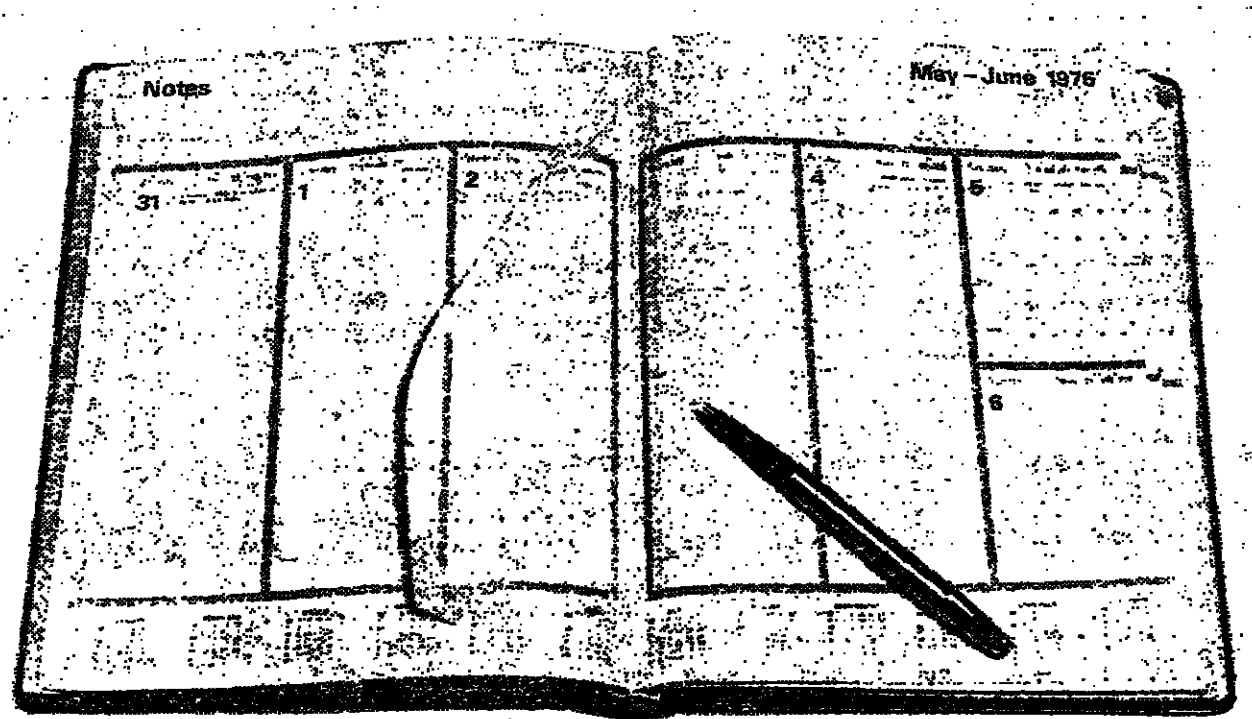
The new additive, which contains a number of organic compounds, achieves these improvements by reducing the tendency of diesel to form gummy deposits on injectors and burner nozzles and generally helping to maintain a higher level of combustion efficiency.

The company's claims are based on the results of field tests carried out on a fleet of trucks and extensive laboratory research with bench-mounted engines.

Redex is an offshoot of Lloyds Industries, Lloyds House, Handforth, Cheshire SK9 3HR.

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Industrial democracy call is renewed

LABOUR backbenchers yesterday returned to their demand for provisions dealing with industrial democracy to be written into the Government's Bill to nationalise the aircraft and shipbuilding industries.

Mr. Gerald Kaufman, Minister of State for Industry, told them he had already referred the matter to the organising committees set up in the two industries. They had been sent the full text of the debate which took place before Christmas.

Mr. Kaufman was speaking during the committee debate on the Aircraft and Shipbuilding Industries Bill.

Mr. Ron Thomas (Lab. Bristol NW) had moved an amendment laying a duty on the Board to promote industrial democracy. "We are not attempting to tell the Board how they should do it. We are simply saying it should be a specific duty on them."

Progress could be made only if public ownership was different from what it had been in the past. There should be a duty on the Board to encourage the development of a strong and organic form of industrial democracy, he said.

Mr. Kaufman said that if industrial democracy was to grow organically, it was not logical to insert into a Bill an amendment imposing a duty through statutory institutions or mandatory sub-committees. It should grow from a determination of those who worked in the industry.

A Conservative spokesman on industry, Mr. Tom King, said he was against industrial democracy to be imposed on different companies. It was for people in the industry to evolve the most satisfactory method of participation and involvement.

The amendment was defeated by 21 votes to 6—a Government majority of 15.

Labour MPs voting for the amendment were Mr. Thomas, Mr. Doug Hoyle (Newcastle Central), Mr. Russell Kerr (Fife), Mr. Russell (Fife), Mr. David Lambie (C. Ayrshire) and Mr. Stan Thorne (Preston S). They were joined by Mr. Gordon Wilson (SNP Dundee E).

Devolution plan critics unite

BY PHILIP RAWSTORNE

SCARCELY A good word—apart from the few thousands from Mr. Harold Wilson—was heard in the Commons yesterday for the Government's devolution proposals.

Conservatives, Liberals, Scottish Nationalists, Welsh Nationalists and Labour backbenchers all joined in the hostile reception for the opening of the four-day debate.

"The best laid schemes of mice and men gang aft agley," as Mrs. Margaret Thatcher commented, some way behind Burns.

The Prime Minister introduced the Government's scheme as one that would enrich, enhance and strengthen the unity of the United Kingdom.

"I assert my belief that they represent a major step forward in bringing government closer to the people of Scotland and Wales, making the process of government more

responsible to the people, and in developing democratic institutions to meet changing needs."

Mr. Wilson challenged the separation of the Nationalist parties. "Without the benefits of integration, what would the prospects be for Scottish miners, railwaymen, car workers and shipbuilders?" he asked.

"North Sea oil will be a major help to the U.K. economy and to the Scottish economy but it will provide no lasting substitute for the benefits from a broadly based economy integrated with the major reserves and markets of the rest of the U.K. and our trading partners in Europe," he said.

But Mrs. Thatcher condemned the proposals as likely to lead to conflict and friction. "It might be that the objective is to bring power to the people. It may be that the result is to remove it from them."

Declaring, to the vast amusement of Mr. Enoch Powell, that the Conservatives were the unionist party, Mrs. Thatcher said that any proposals that threatened the unity of the U.K. must be rejected or modified.

And most of the Government's plans, it appeared, came in that category. The Conservative leader suggested that the Government's political veto over the Scottish Assembly should be replaced by the judgment of independent courts.

But she quickly erased the Nationalist smiles by advocating a more limited role for the Scottish Assembly and opposing totally a Welsh Assembly. The Government's proposals, said Mrs. Thatcher, would bring no diffusion but confusion of power.

Mrs. Thatcher fears outcome could be conflict and friction

THE GOVERNMENT'S devolution proposals were based on decentralisation of power to the people and the unity of the U.K., Mr. Harold Wilson, Prime Minister, told the Commons yesterday.

Opening a four-day debate, Mr. Wilson denied that the Government was employing delaying tactics. This was the most fundamental constitutional change in this century. It was Parliament's duty to set the proposals right and the highest degree of acceptance.

It was not just that the Government rejected the break-up of the U.K. as a basis of a new relationship between Scotland and Wales and the rest of the U.K. "We believe the vast majority of Scots and Welsh people do not want it at all."

"We reject the separation into independent political units of the countries that make up the U.K. We reject the rigid and legalistic approach which is the very essence of the proposals based on federalism."

"We reject as unworthy and totally inadequate to meet the needs of the people of Scotland and Wales a shadow assembly which has no real substance on the one hand and is a mere tinkering with machinery on the other."

Enrich

"We also reject the idea that because of the difficulties the safest thing would be to do nothing." It was an offence against the spirit of the age to refuse to examine and act on proposals, however unprecedented, which had the effect of putting more power in the hands of the

people and enabling them to exercise that power nearer to their homes.

The Government's proposals far from weakening U.K. unity, could, by bringing Government closer to the people of Scotland and Wales, enrich, enhance and strengthen that unity.

Legislation being prepared would confer power over a very wide area, but ultimate responsibility and sovereignty would remain with the United Kingdom as a whole. "Those who object to reserve powers being retained at Westminster are rejecting devolution or something beyond that."

Mr. Wilson said he did not underestimate the criticism that devolution represented another tier of government, but many people north and south of the border felt that there was one tier too many. It was not a result of devolution but of local government reform carried through by the Conservatives.

From the moment the devolution proposals for Scotland in the White Paper were carried into legislative effect, it would be for the people of Scotland—through their legislative assembly—to decide whether to reconstruct their system of local government.

Many English MPs would judge the proposals first and foremost by applying the test of whether they damaged areas of the U.K.

It would be the duty of the U.K. Government to ensure that resources were made available throughout Britain on the basis of the needs of each part. The object of devolution was not of itself to give Scotland or Wales a greater share of the national

resources but to ensure that their share was allocated in the way that the people wished.

The Government would publish in the near future, he hoped, next month—a discussion document about the English regions. It was not intended at this stage to put forward specific proposals but to provide the basis for an informed public debate.

"In making these proposals, I assert my belief that they represent a major step forward in bringing government closer to the people of Scotland and Wales making the process of government more responsible to the people, and in developing democratic institutions to meet changing needs, and circumstances."

"They give real and extensive powers to new administrations in Scotland and Wales and, at the same time, maintain the essential economic and political unity of the U.K."

Partners

Mrs. Margaret Thatcher, Opposition leader, warned that the creation of new assemblies should not result in increasing powers in the hands of government, compared with the powers left in the hands of the citizen.

"It might be that the objective is to bring power to the people. It may be that the result is to remove it from the people. That need not happen in a devolution process, but it could happen. I believe it would happen under this one."

On the future of Great Britain as a whole, she said, "We are at a crossroads. We are at a point where anything like enough has been said in the White Paper and elsewhere about the remarkable

Mason wants to maintain NAT commitment

BY JOHN HUNT

MR. ROY MASON, Defence Secretary, told the Commons yesterday that he was not prepared to accept any defence cuts which would jeopardise the security of the Western Alliance. He was replying to Mr. Cranley Ouseley, a Tory defence spokesman, who demanded that the Government should show as much backbone as Mr. William Rodgers, Minister of State for Defence, who recently said that he would not be prepared to remain a member of a Government that jeopardised the security of the alliance.

Mr. George Younger, "Shadow" Defence Secretary, told Mr. Mason that if there were further cuts in defence spending, then his position as Secretary of State would be an impossible one.

Mr. John Stanley (C. Tonbridge and Malling) asked if the maintenance of the NATO commitment at its present level would be a precondition of the remaining in office.

Mr. Mason replied: "I would not think that would be a condition." But he would be seriously concerned personally, and he was sure his Ministerial colleagues would, if any cuts impinged on the NATO commitment. It was his job to make sure that this did not happen.

Teeth

"It may be possible to cut back on the tail and of our combat capability without affecting the teeth," he declared. "I am assured that it is my intention to try to maintain the full commitments we have made to our NATO allies."

In lengthy exchanges, Mr. Mason came under heavy pressure from the Tories not to make any further defence cuts. At the same time, he was strongly urged by his own Left-wingers to reduce the defence commitment in keeping with the party's manifesto.

She wondered whether the proposed Scottish Assembly would have the right to veto subjects on which it would not have the right to legislate, such as Chrysler.

The Scottish Secretary, Mr. William Ross intervened to say that it would be very surprising if it did not debate a subject like Chrysler.

Mr. Thatcher asked whether a Scottish Secretary would appear before the assembly whenever summoned.

There would also be conflict in Parliament because of differences in the powers of the two assemblies affecting their constituents, and because the Government had taken upon itself to decide whether or not the assembly was acting within its legal powers. The proposals would lead to a massive extension of bureaucracy.

Mrs. Thatcher said the Government should consider a better constitutional basis for its proposals. There should be clauses in the proposed legislation which would be tantamount to a Bill of Rights.

The Government should try to mitigate any conflict between itself and the proposed assembly by allowing the independent courts to decide whether the assembly overstepped its powers rather than have "political control by the veto."

The Government's proposals would mean "more complicated government, more costly government, more government and not less."

Mr. Wilson's assurances in the Commons that the Government's proposals would not lead to the dismantling of the steelworkers' future for steelworkers had now been mollified. Construction workers would also benefit from the increase in building "starts" last year, in both the public and private housing sectors.

But the Prime Minister avoided offering any concessions to the Left-wing demand for the Government to draw back from its intended cutting of public expenditure.

Particular anxieties concerned the situation for steelworkers, busiers, teachers and nurses. If the Government were prepared to help car workers, why not others who provided equally valuable services to the community, Labour backbencher Mr. Frank Ainsworth demanded.

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We intend no U.K. break-up—SNP

LIBERAL LEADER Mr. Jeremy Thorpe warned that under a Conservative Government, the people of Scotland and Wales would have considerably less power than they were getting under even these White Paper proposals. Mrs. Thatcher underestimated the genuine depth of feeling on this subject.

He supported a federal system and doubted whether Canada or Nigeria could have developed without one or whether the U.S. would have been able to resolve some of its problems. Britain should have a federal parliament of 200 to 300 members.

The Labour Party's attitude when it realised that there might be an autonomous Scottish Labour Party and a decentralisation of Transport House indicated that a degree of reserved autonomy over the Government's intentions was not misplaced, he said.

Westminster had already been compelled to devolve to regional administrations in matters such as transport and area health authorities but it had been done with no form of democratic control at all. They needed to maximise the degree of choice available to people.

On the Scottish Assembly, Mr. Thorpe warned that there could be a conflict in a situation where there was a Labour Government in Scotland and a Conservative Government in Westminster.

He argued against the White Paper's proposals that the Secretary of State should be able to decide whether the assembly had the power to legislate on an issue. Even if the number of occasions on which there was a conflict was very few, it would be better if it were decided in the calm atmosphere of the courts than by the prerogative power of the Scottish Secretary.

Mr. Gwynfor Evans (Plaid Cymru, Camarthen) said Parliament would ignore the resurgence of Welsh nationalism at its peril. "It will be ignored by the Conservatives on both sides as something of no account. That is dangerous."

"It is perilous to ignore the wishes of a nation, especially when it has awakened and it must be accepted that the Welsh people are awakening."

The Welsh were in a position of servitude and could not make a single decision in the life of Wales.

Wales would be given a little more power and a little more responsibility in the Government's proposals and this had to be acknowledged.

Dr. Dickson Mabon (Lab. Greenock and Port Glasgow) claimed to speak for the majority of Scottish Labour MPs in giving the Government's devolution proposals a general welcome.

It would set the U.K. and those who had survived to decentralise Government back 10 or 20 years if the proposals were rejected.

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Jenkins explains TV licence claim procedure

BY OUR LOBBY EDITOR

CLAIMS FOR reimbursement from people who paid £18 for a television licence when they had already applied for a licence at the old rate of £12 before April 1 last, will be paid £18 for the licence.

Mr. Jenkins, Minister of State for the Home Office, said that the Government would accept the payment will be equivalent to the licence claimant would have had his original application accepted.

Mr. Jenkins, Home Secretary, recalled that he had decided, following the judgment of the Court of Appeal in the case of *Congreve v. the Home Office*, to accept the payment will be equivalent to the licence claimant would have had his original application accepted.

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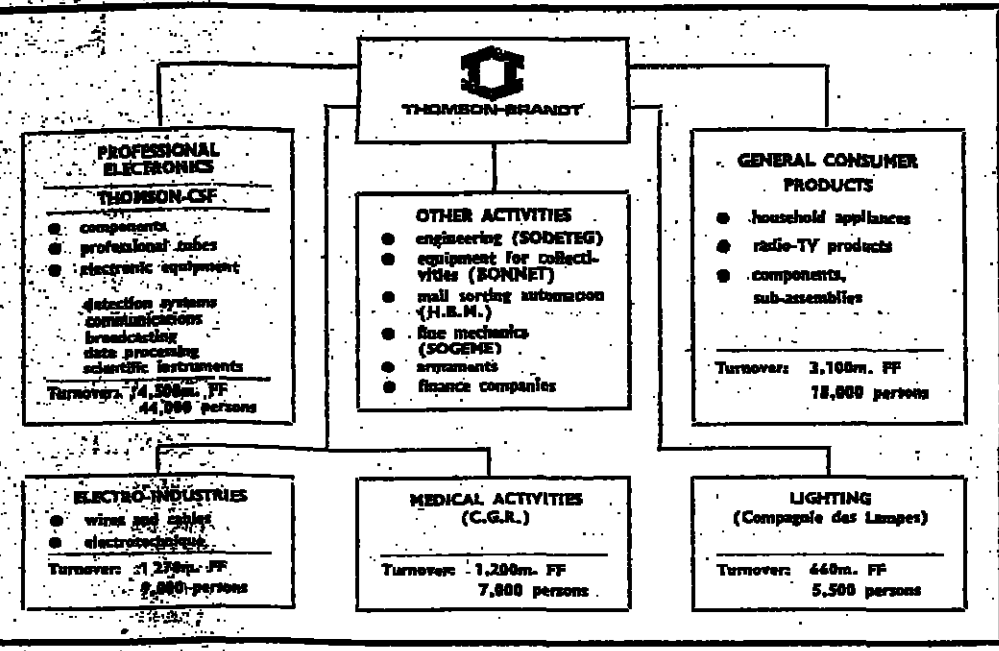
The Executive's World

Emergence of Thomson-Brandt

With the French electrical group transformed, Rupert Cornwell looks at the

SS IS never sweeter than it proves the crisis. Thus it is easy to find the almost tangible of self-satisfaction of Richard when he talks Thomson-Brandt. Ebul- no, for the president of Thomson-Brandt elec- group is too seasoned a guer for that, and in any is still deeply involved negotiations over the telephone and com- industries, which will have a considerable on its future.

ing, though, can alter the at in the past two or years. Thomson has ged. Few companies, in eter anybody that trans- ion of the French ry into a heavyweight onal stage. It is only the strength of industry has come to be ated, not least by the themselves. Similarly on had lived a relatively life until the early 1970s, ily in the shadow of its and more flamboyant CGE with whom it was ver linked in a stifling col- on pact until the end of its image was that of a acturer of TV sets and g machines, unsure y of which way it was u.



virtually unchanged profits the link with Joseph Lucas which in September was extended from the existing aerospace ties into the new ground of car components and accessories. These develop- ments, and Thomson's deep involvement in the weighty negotiations over the French computer and telephone indus- tries have underlined one thing—that the group is anything but a mere manufacturer of fridges and washing machines for the French housewife.

Enmeshed with everything has been the relationship of Thomson with CGE. M. Richard and other top executives smile at suggestions of a feud: they like to talk of "complemen- tarity" and point out the differences between the two groups' businesses. CGE at the heavy end, what the French call courants forts (high voltage), and Thomson the specialist in lighter equipment—courants faibles (low voltage).

This is putting it too simply. Talk of a feud may be putting it too strongly, but rivalry most certainly exists. In those two same areas of computers and telephones the two have been at loggerheads. The score so far, to put it crudely, is a win for CGE, and a win for Thom- son, but of uncertain conse- quences. What Thomson has been spared, to its great good fortune, has been involvement in the nuclear industry, where CGE came unstuck earlier this year with the Government's decision to back a rival process for French nuclear power stations.

which had long backed CIT's participation in the European Unidata venture.

M. Richard is now picking up the pieces, and trying to secure official aid for the re-organisa- tion of the mini-computer and peripherals industry which the Government wants it to sponsor. The asking price is reportedly Frs.600m., and an elaborate game of poker has been played out between himself and the Industry Ministry, that has led to Thomson allying itself in the computer field with the fast-growing La Telemecanique con- cern. The latest signs are that a settlement will come within a few weeks, with the Government finally putting up most or all of the cash required.

outlet that could help with the difficulties of the components side.

But whatever the doubts over computers and telephones, there are none over two other divisions: arms, and above all medical equipment. Thomson is in the weapons business under two hats—Hotchkiss-Brandt armaments, specialising in land and air guns and missiles and through its major subsidiary Thomson-CSF, maker of advanced landing and radar systems, including those of the latest Mirage F-1 in ser- vice with the French airforce. Exact figures are hard to come by, but in 1974 half of Hotchkiss-Brandt's output went for export, and the phenomenal growth of French arms sales (export orders up 50 per cent. in the first half of 1975) bodes well for the future.

The star, though, is unquestionably Compagnie Generale de Radiologie, whose sales of medical equipment have tripled in the past five years, and whose profits are expected to climb by at least the 25 per cent. which is forecast for expansion of turnover. The most vivid part of its success has been the pair of deals in 1971 and 1975 which gave it the corresponding divi- sions of none less than GE and Westinghouse of the U.S. A Frs.90m. bond issue will provide CGR with new working capital to integrate the new acquisition, and finance the construction of plants in India and Mexico.

Happy

It is not hard to see why this sort of performance makes M. Richard happy, above all in the throes of a recession. In his view, the underlying factor be- hind the new dynamism of Thom- son was the belated success of the merger with CGF—carried out in 1968, but which took another three years to gell. He feels the structure of the group is about right, and he does not agree with the frequently ex- pressed view that Thomson and its biggest subsidiary, Thomson-CGF should merge. The Paris Bourse has a well- proven record of preferring smaller specialist concerns to the umbrella holding companies which have become so much the trend in France. "And anyway selling a refrigerator and selling a radar system are two different things." With Thomson shares showing a rise of over 100 per cent. and those of CGF around 90 per cent. in 1975, who is to disagree?

Complicated

The telephone situation is more complicated. Thomson's main reason for terminating its agreement with CGE was to break into the lucrative club of suppliers of equipment to the French PTT. This it achieved, with the aid of a deal with the Canadian Northern Electric group. But the key decisions will come shortly with the choice of the French Post Office of the systems it wants for its major programme of space switching exchanges, and whether Thomson-CGE can get into the act with the Canadian designs—or, at second best, with someone else's equipment—remains to be seen.

The outcome will be of major importance for the company, but it is improbable that the cautious M. Richard would have taken the plunge in the first place without assurances from the French authorities of some reward in the shape of orders. No-one at Thomson is under any illusion that success will come overnight. But the expan- sion programme of the PTT in France is such that fat profits are on the cards for those lucky enough to win the contracts, while the sector offers a new

Victory

CGE's victory, of course, was in computers. On May 12, the Government did what the company said should have been done long ago—merge the joint Thomson-CGE subsidiary CIT with the U.S.-controlled Honey- well-Bull. It was a personal victory for M. Ambroise Roux, president of CGE and a resounding defeat for Thomson

could do is to obtain evidence as to the watch in question, that is, to submit it to a jeweller of repute (preferably chosen with the agreement of the Consumer Protection Officer) who will be instructed from the outset to examine the watch and to make an affidavit stating the number of jewels found (and if possible whether the term "17 jewels" is a proper term in the trade, and what its meaning is.

Allowances on

As a doctor, I use a car in my practice. Could you tell me how the 25 per cent. depreciation capital allowance on a car used for professional purposes is apportioned in the tax year and how this ties in with the complications of balancing charges? It is not possible to give a simple answer to your question without more background details, but we can say that the situation is probably not quite as complicated as you think. The Inland Revenue produced a free booklet on the new system of capital allowances (CA1), which should help you to understand the principles as they apply in your own case. Copies of this booklet are obtainable from most tax inspectors' offices.

Among the factors which affect the calculation of your own capital allowances are (a) whether you spend more than £4,000 on a car; (b) whether you have been in practice for several years, that is, whether all assess- ments during the period in question are on the preceding year basis; and (c) whether you keep a car exclusively for busi- ness use or whether there is an element of private use, varying from year to year, perhaps.

Evidence about

My company received a summons alleging an offence under Section 1 of the Trade Descriptions Act, 1968, in that we offered for sale a watch with the wording "17 jewels" on the face, but which apparently contained only 15 jewels. We paid a fine and the watch is now in the hands of the county consumer and public protection officer. However, on examining a similar watch, we discovered it had 17 jewels, but can find nobody to certify this. Can you tell us whether there is some official body which will do so? There is no official body which would be able to resolve your problem in legal terms. All you

Supermarket uses profitable images

BY SYDNEY PAULDEN



Mr. Richard Palmer

CAN A NEW design image prove itself in profits? "No doubt about it," declares Mr. Rick Palmer and he talks confidently after a successful pilot scheme that has made one of his group's 69 supermarkets triple its turnover and become the most profitable of all the out- lets.

Mr. Palmer is chief executive of Downsway Supermarkets Ltd. He came to Downsway last February with a good pedigree. He had previously revamped the 160-store group, Oakeshott's, where he had been chief executive for four years. It comes as a surprise, however, to learn that he is now only 26 years old. He has covered a lot of ground in a short time and is constantly in a hurry. His first act on taking command at Downsway was to identify what was wrong, formulate a plan to put things right and then call a conference of all the group's administration and shop managers to give them the full story.

"The group has been running at a loss," he declared frankly. That made everyone appreciate how necessary it was to work hard in making the new policy a success.

identity design for Gakeshott's which, two years before, had been one of only two British schemes ever to win a design award from the Sales and Marketing Executives Inter- national Association, repre- sented in this country by the Institute of Marketing.

Rodda and Brockliss were briefed, carried out a survey from shop to shop, produced a series of suggested visuals and then a complete dossier on the final design in a total time of 19 days. A Downsway store in Great Yarmouth was picked as the guinea pig for a facelift and within two weeks it had been gutted out, refitted and opened with a big blast of local publicity.

Takings

Its takings went up 300 per cent. in the first week in May and it has remained the most profitable store with the biggest turnover in the group and has been able to weather fierce competition from a brand new Sainsbury supermarket that has since opened nearby.

The new Downsway image is not only the application of a new logo and the conversion of all group stores to the Downsway name. It is simultaneously the introduction of a special theme—freshness. The AID emblem reflects this in its tiny country cottage nestling amidst green downs with a background of white cumulus cloud in a blue sky. Freshness in the stores means fresh meat, vegeta- bles, pastries and delicatessen foods with personal counter service. Mr. Palmer is attempting to offer the wide range of the supermarket with the personal attention of the corner shop. Managers are briefed to attend personally to customers, to show themselves in the shop and to take part in local functions, not to hide away in their offices. Mr. Palmer is hoping that his super- markets will become part of their local communities and he saw to it that women's clubs were invited to the new Yar- mouth store to comment on the new approach and offer their own ideas.

Sites

Downsway, now a direct subsidiary of Union Inter- national, was created by Palmer arrived, but he has sold T. W. Downs, the Smithfield butchers. Over a period of three years they bought sites as they became available in different parts of the U.K. and set up supermarkets. Simul- taneously they acquired estab- lished supermarket chains, so that by the beginning of this year they owned Stitches of East London, Kayes of East Anglia, Platt's of West London and Surrey and Fox's in the Hertfordshire region. The policy was to permit each of the old companies to maintain its own image and its local custom.

This is an approach favoured by many takeovers, but not one that Rick Palmer views very kindly. "Once a firm is taken over, the staff knows it is no longer independent and they expect something to happen. It is hardly viable to go on pre- tending nothing has happened."

In fact, the design consultants called in by Palmer, Allied and International Designers, dis- covered on a research tour of the shops, that managers felt very neglected and vulnerable

when taken over without any close contact or any direct in- formation coming from group headquarters.

"It is not only the customers who identify with a group image, it is the staff, too," ex- plains Palmer, "so a new identity is vital to weld a group into a happy and hardworking team to gain success."

There were 81 stores when Palmer arrived, but he has sold 12, and there will be further hiving off. Some of the shops were too small to become viable profit centres when con- tributing towards central group overheads. "There can be instances," according to Mr. Palmer, "where a shop can do well as a family business but not as one of a chain. Every shop, regardless of turnover, needs a manager and it has to be supplied by our central transport fleet. It has to be of a certain size to make this worthwhile."

Mr. Palmer sold off the whole Downsway fleet of vehicles and standardised on a smaller num- ber of bigger trucks. Mindful of human relations, he arranged for every vehicle of the new fleet to be delivered on the same day in its brand new livery, so that all the drivers had a new steed at the same time.

The livery was part of the new policy for the group and was the creation of AID designers Graham Rodda and John Brockliss. Rodda had pro- vided the new corporate

The Harrison Line's expansion policy



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The Harrison Line is expanding its operations. To its well established cargo services between the U.K. - West Indies - Central and South America - South Africa - East Africa, the Harrison Line has added container and bulk carrying services.

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WEDNESDAY, JANUARY 14, 1976

Cutting back spending

The content of the letter sent by the Chancellor of the Exchequer to the International Monetary Fund at the time of the recent loan application may come as an unwelcome surprise. Not only does the letter state that the public sector borrowing requirement in the current fiscal year is likely to be around £12bn, well up on the original Budget estimate, but the assurance that next year's deficit will be no larger suggests that it is not likely to be much smaller either. Mr. Healey, it may be said, has been frank with the Fund than he has so far been with the British public.

To be fair, however, these figures are not surprising. It has been common knowledge for some months past that the public borrowing requirement this year would be well up on the original estimate. The growth of the borrowing requirement is one reason why the Bank of England has had to sell gilt-edged stock so vigorously, even when external circumstances were less favourable than they are at present, and the precise reasons for the excess over the original estimate have been vigorously debated both before the House of Commons Expenditure Committee and outside it.

Above estimate

Moreover, it has become increasingly clear during the past few months that on current policies the public sector borrowing requirement is likely to remain at much the same abnormally high level during 1976-77. The official justification for this state of affairs would make two main points. The first is that the sharp rise in this year's deficit over the original estimate has made obsolete the forward estimates of the last Public Expenditure White Paper and created a higher base from which to calculate the effects of the economy exercise that has recently been in progress. The second is that the main aim of the Government has not been to produce absolute cuts in the size of public expenditure, but to curb its growth and reduce the share of national income which it absorbs. The stabilisation of the borrowing requirement, it would be argued, implies a quite sharp drop in

Africa splits down the middle

THE MEETING of African Heads of Government in Angola has ended in disappointment, but not disgrace. It was, in the first place, distinctly impressive that they were able to discuss their views in this way—without ultimata and without walkouts. It could not have happened in Europe, nor even in the more directly comparable Latin America. In the second place, an agreement on a resolution calling for the withdrawal of all foreign forces would not necessarily have ended that great power intervention which President Kaunda of Zambia, for one, so much regrets; nor does the failure to reach agreement necessarily mean that great power intervention will be intensified.

Reconciliation

The Heads of Government divided 22-22, with Ethiopia, as the host country, and Uganda, as the holder of the Presidency, abstaining. But it was not a case of 22 countries supporting the Marxist and Soviet-backed MPLA against the other 22 supporting the FNLA-Unita coalition. On the contrary, not even the strongest opponents of the MPLA were calling for recognition of an FNLA-Unita government. Instead, their argument was for talks between the factions, for reconciliation rather than the victory of one side over the other. Since half of Africa, including states such as Zambia, Kenya, to see foreign troops go home, stuck to its view to the end, it may well be that this was the main lesson of the meeting: sooner or later reconciliation will have to be tried, even if it the MPLA wins the war.

Obviously the MPLA is in no mood to try it at present. It is scoring military gains and the outside backers of its opponents are in disarray: the U.S. because of trouble with Con-

the percentage of gross national product which it represents. Yet one would still like to see such arguments publicly put forward and debated, rather than merely submitted to our international creditors. For example, it is quite true that some part—an unspecified part—of this year's borrowing requirement is due to the slackness of the economy and is therefore acceptable as a stabilising device. It is also true that the very size of the borrowing requirement, together with the weakness of sterling for which it has been partly responsible, has greatly increased the cost to the Exchequer of debt service.

Public sector

When these two special factors become less important, however, one will be driven back again to the basic issue of the size of the public sector. The borrowing requirement, however important its monetary implications, is an issue of less interest in itself than the balance of public expenditure and revenue which make a certain level of borrowing necessary. We do not yet know precisely what economies the Government's recent exercise has been able to achieve. We know only that the TUC are unhappy at not being consulted more closely in the process and that Labour's Home Policy Committee has succeeded in getting pigeon-holed a Party research document which implied that the aims of the election manifesto could only be fully achieved with the help of a 10 per cent. increase in taxation and suggested that a list of priorities should therefore be drawn up.

This would be a realistic reaction to the situation: a political decision merely to look away from reality is not. The emphasis is to be put in future, as Ministers have stated, on improving the industrial base of the country, efforts to reduce the rate of growth of public expenditure will have to be increased still further. And higher taxation, in an attempt to achieve more equal shares of a cake much smaller than it need be, is hardly an election-winning slogan now that we are nearly all taxpayers.

The British National Oil Corporation, which is already responsible for the Coal Board's former offshore activities, has its first Board meeting to-day. Ray Dafter discusses the problems it has to tackle.

In at the deep end for the new power in the North Sea

WHEN the Board of the new British National Oil Corporation meets for the first time in Glasgow to-day it may well find itself pitched into issues far deeper and more complex than it might have welcomed at this stage. Ostensibly, the meeting is scheduled as a "get to know you" session—just as well, as members have been drawn from widely varying sources—but there may not be much time for pleasantries. The Government has already dropped the substantial offshore activities of the National Oil Corporation into the B.N.O.C. lap, much sooner than either it or the N.C.B. might have expected. Soon the new State oil undertaking will probably find itself responsible for an important slice of Britain's North Sea assets. At the same time it will become increasingly involved in negotiating majority State participation in existing commercial licences. Seven companies, including BP and B.N.O.C. among the majors—have already agreed in principle, while others are in more preliminary discussions. As if this were not enough, B.N.O.C. has pledged itself to play a major part in the fifth round of licensing agreements to be negotiated later this year. That adds up to quite an agenda for an organisation a mere fortnight old and with a tiny team of full-time staff (mostly transferred from the N.C.B.). Lord Kearton, B.N.O.C. chairman and its only full-time Board member, has emphasised on many occasions his determination not to "rock the boat" of the North Sea oil industry and to lean heavily on the expertise of existing operators. But he may be forced into taking a bigger, more positive role much sooner than he might have anticipated or would like.

A say in four fields

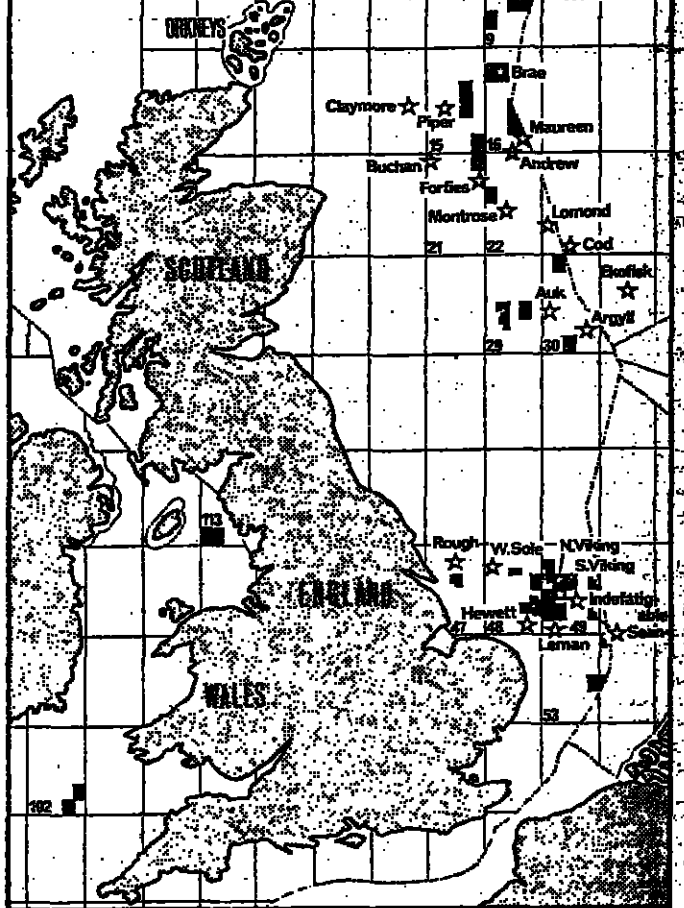
For this outlay B.N.O.C. has acquired a stake in no less than 51 blocks or part blocks in the oil and gas bearing sectors of the North Sea. In particular, it has won a say in four commercial oil fields: Thistle and Dunlin, both due on stream next year; Hutton, a much longer-term venture, and the British portion of Stafford, the largest field so far discovered in the North Sea with estimated recoverable reserves of 3.9bn. barrels (most of it in the Norwegian sector). All told, the N.C.B. was looking forward to receiving 4m. to 5m. tons of oil a year over the next 10 or 20 years from proven or near-proven discoveries. What is more, the Coal Board had also started reaping the benefit of its 50 per cent. stake in the Viking gas field. The Board made an operating profit of £3.7m. from this venture in the 1974-75 financial year and was expecting to make between £12m. and £13m. this year, a quarter of this profit will now be transferred to B.N.O.C.

A push from the start

In some ways the timing of the transfer of the N.C.B.'s exploration activities is curious: the end of its financial year in late March might have been more appropriate and, by all accounts, was largely expected in the oil industry. It is more than likely that the date of the change-over was a political one, although the reason behind it is hazy. It is possible that the Government wanted to give the B.N.O.C. a push from the very start, providing it with an initial portfolio of concessions and a ready-made team of experts. The N.C.B. had built up a staff of some 35 on the exploration side and these have now been transferred, although with such haste that many are still working from the Board's Robert House headquarters. On the other hand there might have been financial implications although the N.C.B.

the planning of the Brent pipe- whether or not the Coal Board, Mr. Leslie Grainger, N.C.B. will be allowed to increase its Board member for Science, put existing chemical interests in it plainly. "We were reluctant to leave the North Sea, but it is no use worrying over lost tions are likely to be an influence."

B.N.O.C. in a Treasury paper-shuffling exercise, has paid the Coal Board some £90m., representing outstanding loan obligations. More fundamentally, however, the Oil Corporation has now accepted responsibility for the Coal Board's exploration and development programme. This is likely to cost at least £500m. over the next five years. The exploration bill in the financial year 1976-77 is likely to be around £25m., while development of commercial fields is likely to be in the £50m. to £70m. region.



Lord Kearton, addressing the Coal Industry Society lunch last week, probably understated the situation when he noted that parting with these offshore activities was a "considerable wrench" for the Coal Board. Indeed, the negotiations prior to the transfer were surrounded by a good deal of acrimony, both in Robert House and the Department of Energy. Ill-feeling which heightened when it was learned that British Gas was to remain separate from B.N.O.C. While the actual hand-over was done amicably, the amputation has left the Coal Board still smarting. For the Coal Board's diversification into offshore exploration was a deliberate move, taken in the mid-1960s, to broaden the base of the industry into allied energy and chemical interests. Perhaps it paid the penalty for not highlighting its new offshore expertise more effectively (as British Gas had done). The Coal Board's team played a constructive part in

causes." It was still his "great dream" that coal and oil could and would be used in a complementary fashion and the Board was still working towards this end. For example, it is discussing with Conoco the possible adaptation of the Immingham oil refinery, at a cost of perhaps £10m., so that crude bought and supplied by the N.C.B. could be turned into basic products like gas oil, naphtha and fuel oil. Taking N.C.B. aspirations further, it is still discussing with others—including the British Steel Corporation and a major oil company—prospects for building an ethylene chemical complex, a project which might cost between £150m. to £200m.

As B.N.O.C. has such downstream activities, including the manufacture and sale of chemicals and petrol, in its wide brief, it must be a moot

largely accepted by the Government and B.N.O.C.—that B.N.O.C. is anxious to retain a major presence in the North Sea. Consequently, current talks centre on the sale of B.N.O.C.'s assets in the Ninian Field and an agreement on B.N.O.C. participation in its share of the Thistle Field.

Some welcome revenue

From B.N.O.C.'s point of view this would have a number of advantages. The Thistle Field, in which the company has a 16 per cent. stake, is due on stream next year, provided there are no last minute hitches with the production unit. Although the initial flow might be low—say 20,000 barrels a day—at least it will yield B.N.O.C. some welcome revenue. Secondly, much of the development costs for Thistle (some £400m. spread among the operating group) has already been spent. Thirdly, B.N.O.C. is the operator of the field which must help to keep its flag flying in the North Sea as well as add to the expertise of offshore staff.

On the other hand, Ninian in which B.N.O.C. claims a 22.3 per cent. stake (exact percentages are contentious as the field crosses block frontiers) is not due to come on stream until 1978 at the earliest. Sale of these assets at this stage could relieve B.N.O.C. of on-going charges of perhaps £200m. over the next five years, as well as provide the company with a cash injection. The Government has now provided a £40m. advance payment on the Ninian deal—coincidentally the amount so far spent by B.N.O.C. in the field's development. This cash injection should enable B.N.O.C. to carry out its development commitments on Ninian and Thistle while negotiations continue with the Government.

The amount which B.N.O.C. is willing to accept for its stake in Ninian is inevitably shrouded by the cloak of closed negotiations but according to some reports in the industry the asking price has been put as high as £120m. on Nationalised Industries. This is well above some estimates of the Ninian stake's worth, however. For example, at least one leading stockbroker has quoted B.N.O.C.'s assets in Ninian and Thistle together at only £130m.

B.N.O.C.'s operational staff Lord Kearton has been stridently combined to woo oil companies figure distorts both the recoverable reserves of Ninian and the exact share of the company in the field. They point out that the estimates are based on a 30 per cent. of total reserves whereas early experience in the North Sea suggests a much higher ratio, nearer 40 to 45 per cent. With between 3.1bn. and 3.2bn. barrels of crude lying in the Ninian Field, this variation

Leaning heavily

He has made no secret of the fact that he wants to "piggy-back" on existing shore operators. The report of the Select Committee on Nationalised Industries in July confirmed that the Committee concluded that with a shortage of technically skilled staff B.N.O.C. would have to rely heavily on existing li- holders, anyway. In the past few months B.N.O.C. has been stridently combined to woo oil companies figure distorts both the recoverable reserves of Ninian and the exact share of the company in the field. They point out that the estimates are based on a 30 per cent. of total reserves whereas early experience in the North Sea suggests a much higher ratio, nearer 40 to 45 per cent. With between 3.1bn. and 3.2bn. barrels of crude lying in the Ninian Field, this variation

MEN AND MATTERS

Aristocrat for the Patronat

Baron Edouard-Jean Empain has come in from the cold. In the cliché world of French business, Empain is rather short on the qualifications which would make him easily acceptable: he is still only 33, carries a Belgian passport, and once crossed swords with General de Gaulle.

Yesterday, however, he was elected to the Board of the Patronat, France's equivalent of the C.B.I. after an eight-year struggle to overcome the mistrust of his French family company, the venerable Schneider Group, and of both the political and financial establishments. His reputation was mostly that of a playboy when 30-year-old Empain set about becoming head of Schneider, then a fading industrial concern which provided the shells which the French fired at the Germans in the First World War.

Though Empain's family had been the largest shareholder in Schneider since 1963, the young Baron had to fight two years, and in at least two directions, to have his way. When he first joined the Board, no one would find him an office in Schneider's dingy headquarters; and there was opposition to his presence from de Gaulle, no less.

But Empain carried on a vigorous campaign, gradually winning round enemies. Becoming chairman took two years, and since 1969, he has dominated the wrangles to reorganise the French nuclear industry in which Schneider has large strategic interests.

The Empain concern now looks well in charge of the situation. America's Westinghouse is reducing its stake in Societe Framatome, its French nuclear reactor licensee from

45 to 15 per cent. as a prelude to eventual withdrawal. One of Schneider's companies takes 51 per cent. and the French atomic energy commission 15 per cent.

The Baron's personal control is in no doubt and his status has reached the point where Patronat president Francois Ceyrac can declare with due solemnity "that he behaves like a French patron."

European matrimony

The British are the most hopeful, the Germans the most responsive, but the French tend to take their time. That at least is the commentary on the merger habits of medium and small-sized companies in the Common Market as seen through the eyes of the Brussels-based Marriage Bureau—set up a couple of years ago with EEC finance to provide information for and facilitate agreements between the smaller industrial firms in the community.

The Latins it seems have been the least interested in industrial wooing by proxy, but the bureau notes optimistically that the French have begun to respond well following an information campaign which it has carried out. The report is published shortly before the Commission is due to review the operation of the bureau prior to a decision on further allocation of funds.

It covers the first 30 months of its operation to last October. During that period British companies put in the most enquiries—579 against 498 from German firms, but when it came to responding to queries about possible links the Germans were way ahead of the field with 886 replies, against only 653 by the British companies and 301 from the French. In the 15 months the bureau EEC companies looking for



joint ventures with groups operating within the community.

Younger masters

Birmingham won't like me saying this, but it does not immediately spring to mind when one is talking about the curbs. Nevertheless, the city's Aston University is coming to the aid of the National Gallery, which, like all art galleries has the problem of deteriorating paintwork on its picture collection.

Professor Gerald Scott, of the university's chemistry department, has been asked by the National Gallery to study the problem—with the aid of a £5,000 grant from the Department of the Environment. Much effort and money has gone in the last few years into diffuse lighting, constant temperature control and air conditioning, but still little is known about the relative importance, and interaction between, light, paint pigments and pollutants in the atmosphere.

A nice touch is that Scott recently has become well known through his work on photo-degradable plastics, which disintegrate at a controlled rate when exposed to the elements. So now he will be working in the opposite direction: helping Old Masters stay as young as possible.

Honest at least

Frequently, when important people talk out of turn and get into hot water they try to use misquotation by the Press as a jet-out. A bouquet therefore to Jean-Luc Pépin, lively chairman of the Canadian anti-inflation board, who created a furore with a statement about how tough he was going to be. When the dust had settled Pépin ruefully admitted, no, he had not been misquoted—"I misspoke."

Observer

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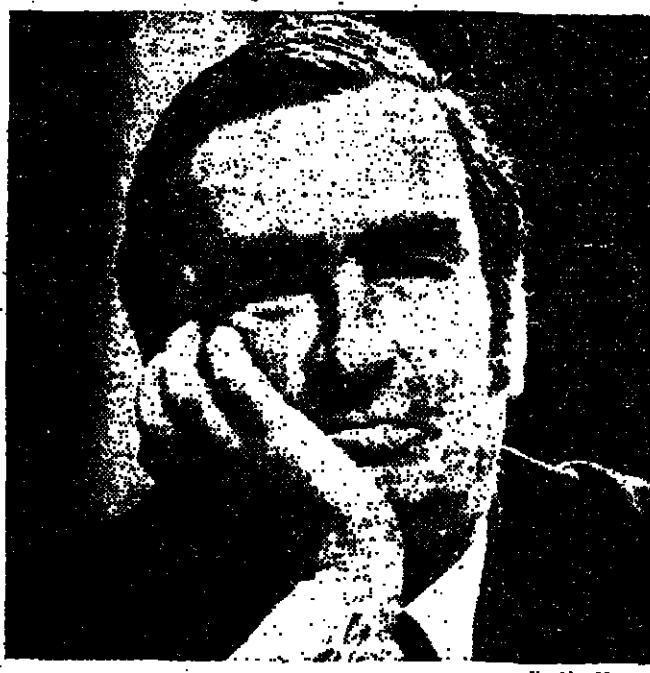
Development Officer, Planning Dept., Tayside Regional Council, Mains Loan, Dundee. Telephone: 0382 23281.

Financial Times, Wednesday, January 24, 1979

Mr. Denis Healey and William Keegan examine the issues that will be raised at to-day's National Economic Development Council meeting

the industrial strategy—new economy model

VERNMENT'S industrial strategy could be applied selectively to any industry and well after the period of indiscriminate aid under Mr. Anthony Healey's plan, at least in Whitehall's minds. Mr. Denis Healey, Secretary of State for Industry, said today that it was not a matter of whether the strategy was applied to a particular industry, but of when it was applied. He said that the strategy was a long-term plan, and that it was not a matter of whether it was applied to a particular industry, but of when it was applied. He said that the strategy was a long-term plan, and that it was not a matter of whether it was applied to a particular industry, but of when it was applied.



Mr. Denis Healey: the industrial strategy is alive and well.

has moved from the long term to the relatively short term. With nightmarish memories of supply constraints and bottlenecks during the last boom, what they really want is a means of pinpointing particular sectors and bottlenecks and obstacles before the expected revival in world trade later this year and (especially) in 1977. The important initiative, in this view, is the hatch of Government moves — a further announcement is due to-day — aimed at providing selective financial assistance in certain sectors where companies accelerate investment projects on a contra-cyclical basis.

Overlying this, there is still the hope—expressed, following the personal ideas of Mr. Healey, more in the Treasury than in the Department of Industry—that the strategy can provide a genuinely new initiative in participatory economic planning. After the failure of the over-ambitious planning efforts of the 1960s and what is regarded as a cynically low level of official commitment to the 1972 exercise, the aim is for industry and unions to take part in the formulation of economic policy and Budget advice rather than simply reacting to "targets" handed down by the Government. (The Treasury's interest in all this can reasonably be interpreted as a desire to ensure that, whatever emerges in the end, it should be under Treasury control.)

In this view, the various strands of Government policy in the industrial field—such as planning agreements and the National Enterprise Board—could all be combined in a French style planning exercise. Industry and unions will be offered more say, rather than more direction, but will have to accept greater responsibility for some of the harder choices of industrial revival, but their basic attitude is: what's in the strategy for us?

For the CBI, a Government policy of favouring industry is fine but planning agreements between Government and individual companies, and the proposed role of the National Enterprise Board, are still anathema. Companies do not like the idea of a French-style planning system: they do not believe that the British civil service has the competence to carry it out, and they do not trust the vagueness with which proposals such as planning agreements have been put to them so far. Like the unions, they approve of the general idea

Question

The question that to-day's NEDC meeting and the discussions of the next few months will face is: which of these different strands of official thinking will emerge most strongly? The most ambitious idea is clearly the concept of tripartite economic planning. So far this has not been tested at all, and there are clear problems. How far the two Departments' officials are committed to it is not entirely clear; while the CBI and TUC have so far deliberately avoided pledging themselves to support an approach with such difficult implications for them. For the TUC, additional aid to industry is fine, but, as was made clear this week, it is not yet ready to accept the consequential diversion of resources from the public sector or responsibility for a direct attack on over-manning and restrictive practices.

Climate

As far as industry is concerned, the most enlightened government financial assistance in the world is no substitute for a profitable climate. Fortunately, with free depreciation and stock appreciation relief, more or less absorbing manufacturing industry (as opposed to distribution and services) from corporation tax, and many forecasts, including the Treasury model, indicating a sharp revival in company profits over the next 18 months, industry is better placed than it has been for some years.

If the climate of opinion can also help the unions and industry to agree within the NEDC format some of the moves necessary to improve the country's industrial performance, and if it can get the Government to respond earlier to the specific problems of individual industrial sectors through price code changes or additional help, then it will have achieved something more than previous Government strategies.

Letters to the Editor

General Secretary
The General Secretary of the TUC, Mr. A. D. Simons, writes to the Editor of the Financial Times, expressing his views on the industrial strategy.

which they can make in concert with existing unions, with which they have a very great deal in common. As far as my own association is concerned, we have been to some extent able to influence the established "territories" of TUC-affiliated unions in the shipbuilding industry. We have made it clear to them that we are prepared to discuss any problems which may be brought to exist between us, and that we are only too pleased to co-operate with them in the interests of the industry and its employees. In fact, we have been asked to take part in a meeting of the TUC-affiliated unions, which will be held in the near future. This is a very welcome development, and we are sure that it will lead to a better understanding of the needs of the industry and its employees.

These characteristics contrast sharply with those of the civil service which I would regard as a "reliable" organisation. Its significant characteristics are its orientation to reducing variations in surrounding conditions, thereby enabling maximum benefit to be gained from the application of existing capabilities. In such an organisation there is a clear sense of the correct ways to do things. It has a strong capacity to sense the reality of a particular time and to adapt itself to the requirements of the situation. The total pattern of action is geared to identifying small variations in the capability of the organisation, finding relationships of those variations to organisational purposes, and advancing those purposes and reinforcing actions which enhance future capacity for constructive adaptation.

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To-day's Events

- Monthly meeting of National Economic Development Council under chairmanship of Mr. Denis Healey, Chancellor of the Exchequer, statement expected on Government steps to stimulate industrial investment.
- Mr. Healey at Newspaper Conference lunch, Press Centre.
- Mr. Eric Varley, Secretary for Industry, gives evidence to House of Commons Select Committee on Public Expenditure on Chrysler (U.K.).
- White Paper on British Motor Vehicle Industry.
- Report on Prime Minister's working party on future of British film industry.
- One-day strike by white-collar workers of Vickers engineering group in protest over proposed new pension scheme.
- New stamps featuring emblems of Scotland, Wales and Northern Ireland on sale at Post Office.
- Mrs. Barbara Castle, Social Services Secretary, in Tehran talks to help Iran improve its health and social welfare systems.
- Auction of Guards Club antique furniture. The Guards Club, 16, Charles Street, W.I.
- Sir Lindsay Ring, Lord Mayor of London, visits Olympia on education of children in schools and elsewhere.
- COMPANY RESULTS: Guthrie Corporation (half-year). Raybeck (half-year).
- COMPANY MEETINGS: Hencher (Furniture Trades), Cardiff, 12.
- New Court European Trust, St. Swithin's Lane, E.C. 2, 230.
- Walmley (Bury), Bury, 11.30.
- THEATRE: National Theatre staging first London revival of Ben Travers's Plunder, Old Vic, 7 p.m.
- SPORT: Soccer: League Cup semi-final (1st leg)—Tottenham v Newcastle.
- Squash Rackets: Grand Prix tournament, Newcastle.

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COMPANY NEWS + COMMENT

Hickson & Welch improves to £4.6m.

ON A TURNOVER ahead from £35.61m to £42.06m, profits of Hickson & Welch (Holdings) improved to £4.6m, compared with £4.15m, in the year ended September 30, 1977, after £2.09m, against £1.7m, for the first six months.

At the attributable level, the year's profits emerge at £2.08m, compared with £1.76m, and earnings per 50p share are stated to be up from 81.63p to 84.39p.

The net dividend is raised from 7.914375p to 8.4439p, with a final of 5.4439p.

The group is principally engaged in the manufacture and sale of chemicals for a wide range of industries particularly in the field of timber preservation. The group also has interests in the manufacture and supply of building materials, and housing estate development.

comment

Hickson & Welch continues to demonstrate comparative resistance to the recent afflictions of the chemical sector. Profits are still 12.3 per cent, higher over the year and turnover is 18 per cent, up although sales volume has been depressed. This compares, however, with a 27 per cent, rise in profits and sales in the previous 12 months. The group's strength lies in specialisation which leaves it facing few direct competitors in the U.K. or abroad. And it also has the benefit of a ready-made market in contract manufacturing for many chemical giants at home and across the Atlantic. The building materials section remains static but otherwise steady progress can be expected again this year with possibly a further reduction in borrowings which peaked at 36 per cent, of shareholders funds in 1974. At 33p the shares yield 4 per cent, covered four times.

Melody Mills upsurge

FIRST-HALF (to September 30, 1977) turnover of wallpaper manufacturers, Melody Mills, increased from £1.82m, to £2.51m, and profit advanced from £119,000 to £274,000, subject to tax of £142,000, against £82,000.

Stated earnings per 25p share more than doubled, rising from 3.3p to 7.5p.

The results reflect the capital investment during the past three years, and have been achieved despite a depressed wallpapering industry, the directors state.

Melody increased its share of the home trade and made some "very useful" gains in new export markets, they add.

Indications are that profits for the second half will be maintained at least at the same rate as far the first. For the year to March

HIGHLIGHTS

In line with other brewers, Scottish and Newcastle has shown strong first half growth, thanks to the hot summer, but while the second six months has started well there is a warning about the outcome for the rest of the year. Letraset's profits are also well up and the outcome for the year is likely to be record figures of around £3.5m. Completing a trio of useful results in the Lex column is Vosper, where profits are £1.8m, higher while net assets have risen to £12.8m. Elsewhere, SGB has seen a slight fall in second half trading, reflecting a drop in U.K. volume, while International Timber continues to lag behind the timber sector and the profits forecast for the year suggests little change in this trend in the second half. Hickson & Welch has performed better than most in the chemical industry with profits some 12 per cent, higher.

comment

A doubling of pre-tax profits on a 35 per cent, gain in turnover lends some support to the recent sharp rise in Melody Mills share price—up from 35p on Friday morning to 48p last night. Even as similar level of profits in the second half indicates a prospective p/e of only 3.2. Capital investment at the group's new Anstey factory has started to pay off, underpinning a sales drive into the depressed U.K. market and also export markets for vinyl wallcoverings, where margins are better. Now that the main thrust of expansion has been completed, the balance sheet, which last showed borrowings almost equal to shareholders' funds of £1.28m, should start to look healthier. Net asset value was 74p at the beginning of the year and a prospective yield of 8.4 per cent, should be covered over five times.

Associated Sprayers loss

—ASSOCIATED SPRAYERS LOSS: THE FORECAST loss for Associated Sprayers turned out to be £141,630 for the year ended August 31, 1977, compared with a previous £188,500 profit, after a turnaround from £111,900 to a deficit of £15,700 in the first half.

No dividend is being recommended—the previous year's total payment was 2.37p net.

The directors report that the first quarter of the current period shows a "modest improvement" as losses have been stopped but in the current economic climate it is difficult to forecast the outcome for the first half.

comment

Associated Sprayers entered 1974-75 with problems of overcapacity and high gearing, and the year has resulted in a £330,000 turnaround into losses. Sales volume must have fallen by at least a fifth last year as retailers maintained their policy of de-

Gateway ahead at halfway

Including a contribution of £188,000 from Bishop's Stores, pre-tax profit of Gateway Securities improved from £243,000 to \$869,000 in the 26 weeks to October 4, 1977. And the directors report that trading has continued throughout the third quarter "at a high level."

The net interim dividend is raised from 0.3625p to 0.575p per 25p share—last year's total was 1.1007p, paid from record profits of £1.29m.

At the end of the first half the group's chain of 28 chemists shops were sold, resulting in a net cash inflow of about £750,000 which will be used to extend the food business, particularly the freezer centres.

comment

Adjusting Gateway's profits for the first-time inclusion of Bishop's as an associate, leaves the rest of the group with an 84 per cent, increase in pre-tax profits. Yet the original food retailing operation has probably advanced by more than that. For there has been unquantified (though evidently small) losses from the Ford and Lock and Pink Stamps acquisitions, while Mills chemists (since sold), made little profit. Even so it is clear that margins on food retailing took a rough ride. Just how far Gateway has turned round its two new

acquisitions, or what impact the absence of Mills will have, it is impossible to tell, but full-year profits, including a contribution from Bishop's, are thought to be on the basis of the prospective p/e 38p drops to 6.3—less than half the average for food retailers. Until a clear picture emerges of how the new group will shape-up any re-rating looks unlikely.

Trident TV falls to £2m.

COMPARED WITH an annualised £2.77m for 1973-74 profits of Trident Television, which takes in Yorkshire Television and Tyne Tees Television, fell to £2.09m, in the year ended September 30, 1977. The profit reported for the previous 18 months was £3.56m.

Earnings per 10p share are stated to be 2.3p compared with 4.4p for the extended period. A final dividend of 1.485p net makes a total of 2.11p, the maximum permitted. For the previous period a total of 2.638p was paid.

Advertising revenue for the opening months of the current year shows a promising increase with further expansion of programme sales overseas, expected through Trident International.

Operating statistics from Australia, where Trident has a substantial investment in TV set rental and sales, are "encouraging and indicate a major contribution by 1977," the chairman reports.

He believes that sales revenue will increase at a rate better than the network as a whole and that all of these factors should ensure a significant improvement in 1977-78 results.

Turnover for 1974-75 was £23.56m, compared with £23.29m for the previous 18 months. After tax down from £2,025,000 to £1,577,000 net profit was £515,000 compared with £1,837,000. Attributable profit came to £884,000, compared with £1,354,000.

An analysis of profit before tax attributable to Trident shows: television contracting £2,025,000 and other operations £1,037,000, making a total of £3,062,000.

comment

Full year profits from Trident are marginally ahead of earlier expectations as the losses from the Australian rental operation are perhaps £100,000 lower than had been envisaged. Nevertheless, without U.K. tax relief earnings drop to 2.3p where the dividend is covered only 1.2 times. However, Australia is fast moving towards break-even and this year might even see a small profit, with a significant advance in 1977. Meanwhile, at home, TV contracting turnover has been running a few points above a doubling of earnings for this year, which would drop the prospective p/e to around 6, while the yield is



Sir David Brown, chairman of Vosper Thornycroft, which yesterday reported record profits of £4m for 1974-75 and is looking for further growth in the current year.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding dividend	Total dividend	Total dividend
Assoc. Sprayers	Nil	—	1.47	Nil	2.37
Crunch Group	0.39	May 3	0.54	0.93	2.46
Dansea Ltd	1.31	Feb. 27	1.21	2.52	2.52
Fluidrive	1.76	April 2	1.88	2.48	2.52
Gateway Securities	0.58	Feb. 8	0.56	1.14	1.14
Hickson & Welch	5.45	Feb. 23	5.23	8.45	2.91
International Timber	2.23	April 3	2.23	4.46	2.52
Investors Capital Trust	0.3	March 11	0.5	1.0	1.8
Jones Stroud	1.6	April 10	1.6	3.2	3.53
Letraset	0.29	March 5	0.37	1.28	1.28
Midland Cattle	1	Jan. 30	0.88	1.88	2.04
A. J. Mills	1.49	—	1.41	2.49	2.52
Reabrook Trust	0.38	—	0.33	0.98	0.98
Scottish & Newcastle	1.1	April 13	0.84	2.82	2.82
SGB Group	2.28	March 25	2.21	4.28	4.01
Tollmach & Cobbold	0.35	April 2	0.35	0.70	0.70
Trident TV	1.47	April 1	1.35	2.82	2.82
Vosper Thornycroft	2.26	May 3	2.21	3.76	3.52
Warner Estate	0.89	Feb. 26	1.03	3.52(b)	2.08

Dividends shown pence per share net except where otherwise stated. (a) Equivalent after allowing for scrip issues. (b) Total 3.5p—forecast for 18 months.

101 per cent, at 32p—an attractive combination for the sector. A market capitalisation of £11.3m, backed by over £4m, of cash earmarked for acquisitions in a new area within the leisure field.

Leeds Permanent growth

ASSETS of the Leeds Permanent Building Society totalled £14.2bn. at December 31, 1977, representing a growth of £283m, or 2.76 per cent, in the year.

The society's accounts for its financial year to September 30, 1977, have already been published, but as most societies make up accounts to December, figures are now given for comparative purposes.

Total receipts from investors in 1977 were a record £647m, an increase of £174m, and house loans made rose from £220m, to £293m. Over 250,000 new investment accounts opened and the total at the year-end was 1,427,541—up by 130,554.

Reserves amounted to 3.82 per cent, of assets and liquidity (investments and cash) represented 18.70 per cent, of assets.

Share & deposit bal. £1,340,361,000.34
Mortgage assets £1,132,477,823.21
Investment & cash £263,421,125.29
Other £12,719,127.17
Total assets £1,419,991,156.37
Reserves £54,211,467.73
Mortgage advances £21,601,234.14

TAXABLE profit of Warner Estate Holdings was £949,055 for the 18-month period to September 30, 1977 from turnover of £4.53m. For the previous 12 months the figures were £595,454 and £893,353 respectively.

Stated earnings per 25p share are 4.1p, against 3.2p, and the final dividend is 0.69531p, making a maximum permitted 3.288551p, compared with 2.078551p.

Tax charge was £436,311 (£270,187). There is an extraordinary credit of £1,488,005 (£569,545) which relates mainly to a surplus on property sales previously transferred direct to capital reserves.

For the 18-month period £1,488,260 was taken to capital reserves, compared with £593,543 in the previous year.

Net asset value per 25p share increased from 89p to 172p, or from 89p to 170p assuming full conversion of the loan stock.

The 30 largest investments represent 30 per cent, of total net assets, the balance of 70 per cent, being applied in a further 172 holdings.

Since the end of the year the Trust entered into an agreement to borrow up to £0.52m, the proceeds to be invested in American securities.

The facility is on a one month

SGB £0.5m. profit contraction

ON A TURNOVER up from the p/e is 8 and the year £42.19m to £56.74m, group pre-tax profit of SGB Group, the international construction plant and services, concern, contracted from £6.5m to £5.55m in the year ended September 27, 1977, after being down from £2.13m to £3.01m at halfway.

The directors report that a further substantial improvement in overseas profitability—27 per cent, of total profit—went a long way to offset the effect of the downturn in construction activity in the U.K. which, coupled with price controls, prevented adequate increases in prices to match U.K. inflation.

Earnings are shown to have been maintained at 13.4p per 25p share. A final dividend of 2.276p lifts the net total from 4.007p to 4.776p—the maximum permitted.

The directors report that in progress, stocks and increased by less than 100 per cent. At the start of the current order book was at a level and the company itself "hard" growth in the year.

A drop in U.K. volume lies behind a slight fall in SGB's second-half trading profits, and over the year a doubling of net interest charges has left pre-tax profits 8 per cent, lower overall. The upward trend in overseas profits has continued, following loss elimination in the previous year and these now contribute 27 per cent, of pre-tax profits (or £1.6m), compared with hardly anything two years ago.

Borrowings have apparently jumped by around £4m, to over £114m, compared with shareholders' funds of £13.7m. Although £3m of this relates to the acquisition of Contractor Services, a working capital requirement running at over 40 per cent, of turnover in the previous year then "we should be able to have been the main drain. At 110p, forward to further grow

ISSUE NEWS

SHORT-TERM LOCAL LOANS

The coupon rate on this week's issues of local authority yearling bonds has dropped from 11 per cent, last week to 10 1/2 per cent. The bonds are due on January 18, 1977 at par.

This week's issues are: Renfrew District Council (£1m.), Clwyd County Council (£1m.), City of Dundee District Council (£1m.), City of Dundee (£1m.), Chorley Borough Council (£1m.), Borough of Blaenau Gwent (£1m.), Dover District Council (£1m.), Pendle District Council (£1m.), Cambridgeshire County Council (£1m.), Charnwood Borough of 3.432p net (£281p gross). The issue has been taken up by Laurie Milbank & Eke, joint brokers.

PLESSEY RIGH: Acceptances have been by Plessey in respect of 100 per cent, of the 42m, share by way of rights at Ordinary holders, and £1m, of the 42m, share offered by way of rights. The balance will be sold by the entitled shareholders. Issue of 10 1/2 per cent, bonds due July 20, 1977 at par.



VOSEPER THORNYCROFT LIMITE

Record Group Turnover and Profit

	Year to 31st October 1977	Year to 31st October 1974
Turnover	£82,050	£7,052
Trading Profit	4,806	2,966
Shipbuilding Grant	—	920
Profit before Tax	4,033	3,076
Taxation	2,051	1,614
Profit after Tax	1,982	1,462
Extraordinary Items	148	14
Dividends	226	212
Profit Retained	1,904	1,236
Earnings per Share (Net)	32.89p	24.26p
Dividend per Share (Net)	3.76p	3.52p

Comments on 1975 Results

- Trading Profit £4.8m increased by 62% over 1974. *Total Orders received £440m, of which 15% was from the British Government.
- Turnover £82m increased by 44% over 1974. *Of shipbuilding orders, exports represent 8% recognised by three Queen's Awards.
- Profits reinvested in the Group £1.9m, represent 89% of Profit after Tax. *Annual Turnover has increased from £6m to £82m.
- The 1975 results have been achieved without any Government assistance i.e. Shipbuilding Construction Grant. At no time has the Group been eligible for Regional Employment Premium. *Profits before taxation have increased from £380,000 to £4,030,000.
- British Government contracts contributed less than 5% of Profit before Tax. *Profits retained and reinvested represent 71% of net attributable profit.
- Political and economic conditions make forecasting particularly difficult, but current predictions indicate further profit growth in 1976. *Total funds employed by the Group have risen from £2.5m to £17m.
- World demand for warships continues to be promising and it is to be hoped that the threat of State ownership and the continuance of an unacceptable level of inflation will not have a damaging effect on the Group's export prospects. *Numbers employed have increased by more than 50% and are now in excess of 7,200.



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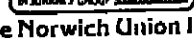
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**erck's good liquidity
investment resumed**

BORROWINGS now down to modest level. Seeking out a number of investment programmes to improve productivity of assets and strengthen the position in the market. Chairman Mr. K. M. M. at the year-ended September borrowings, less cash, reduction from £9.78m. At the year-ended bank overdrafts stood at £1.2m. compared with £5.51m. a year, against which there is a bank balance of £2.2m. compared with £238,000.

The chairman explains that the reduction in borrowings is due to good management of the improved flow of £2m. subscribed holders during the year.

At 1975 the chairman says generally a very busy year for the group but demand from energy industry market situation is now scant, but order books are a satisfactory outcome of first half of the current expected.

BOARD MEETINGS

The following companies have notified dates of Board meetings: in the Stock Exchange. Those marked with an asterisk are held for the purpose of considering dividends. Official indications are not available whether directors considered and approved or chair and the sub-divisions shown below are based mainly on last year's disclosure.

TODAY

International Sea and Marine Centre Hotels (Granatun)*, Gurnee Corporation, Heron Moor, 2.30pm. British Virgin Islands, 2.30pm.

Fluoro-Gough Cooper, John J. Jacobs, 10.30am. G. Deal, T. Weyburn, 10.30am.

FUTURE DATES

Next week

Amalgamated Tin Mines Nigeria, Jan. 22. Dixon (Nigeria), Jan. 22. Dorman (India), Jan. 22. London Electricity and Gas Trust, Jan. 21. Somers Italia Consolidated, Jan. 22. Western World Mills, Jan. 20.

Next month

Adams and Gibson, Feb. 16. Carlsberg (Denmark), Feb. 16. Jerr Foundries and Engineering, Jan. 15. Ward (F.W.), Feb. 16. Wharfedale Engineering, Jan. 16.

particular, electric British operations turned by around £100 of the electrical by back in profits and beginning to see a in orders. However, position in its volume below that of the period and a full around £12m. pre- the most that can be The second dividend, giving a over 10 per cent. 22 times.

Letras up 76% midwa

THE RECORD
forecast last month
International turn
£1,596,000, a rise of
the corresponding
1974 and 45 per cent
the previous record

Downturn

second half is more and depends on the of new orders available group. Some return in activity is forecast but this happens or not the companies are in good meet these opportunities

Year ended September 30, 1975. Sales for the year before tax increased 14.0m. to 53.03m., on sales 15m. of 46.832m. An 15m. of overseas sales shows: West Germany rest of Western Europe 1.2m. Australia 1.2m. and territories 11.2m. The is 2.18pp, the maximum d.

port again includes accounts on the current power basis. The chair- that interpretation is argument but three things ut-in CSP. The divi- made a 22.5m. profit only 7.7; that profit was effec- at 52 per cent and profit after tax was ex- by the dividend, leav- reventions whatever for

at the year's trading reports that every com-

ions in the sales of Jones Stroud (Holdings) declined from 1.04m. to 707m. The six months ended Sept. 30, 1975, the directors' report signs of an 'improvement' and forecast that second half profits will exceed the first.

In his annual statement, Mr. P. L. Jones, chairman, indicated that first half results would be down. He also said it was unlikely there would be an improve- ment in the second six months unless there was a 'turn' in the continuing decline in exports.

First half earnings per 25p share are shown to be down from 7.45p to 4.22p. The dividend is being kept at 4.5p net, and directors forecast a final of 2.2p, making 2.2p the maximum permitted. The year's total was 3.525p, from profits of 22.07m. "B" shareholders receive 25 per cent of the surplus. Year

to April 30, 1976. Stated earnings for the half year 2.23p to 3.98p and dividends is 1.92p 4.88p net. 1.5815p from earnings

Sales Profit Overseas tax Minority share Available Dividend

from loss controlling the period of w when sales volume per share was benefited from the of overseas currency to sterling, since the chairman said the rates ruling in 1975, the chairman

the group made a "post-
tribution and only in
y terms but also in terms
ct quality, customer ser-
nd industrial relations.
udco Valves International
in a "particularly good
ance in 1974, which
le the U.K. business can
o improve so that in the
e 45 per cent. of sales
per cent. of turnover
les to overseas customers.
e annual meeting Mr.
tends to retire from the
ut to stay of the firm
be succeeded by Mr. R. G.
Meeting Birmingham,
y 12 at 12.30 p.m.
an's Statement, Page 30

	1975	1974	1973
Turnover	2,975	2,841	1,978
Profit	1,000	1,000	621
Tax	188	1,669	2,142
Dividends	300	295	181

● comment

James Spang was anticipating lower profits in the first half of 1975-76 but the company's current slide in the pre-tax level of a 10 per cent. drop in sales, exceeded its worst expectations. Moreover, it has been anticipated the group's earlier hopes for a full recovery in the second six months. Volume has fallen in both of the group's divisions, textiles and, in

Surprise
October 31st
against an
currency be
No materi
October 31st
of the above
annual accounts
would have in
net profit from
approximately
one share from
cash flow was
half year, wh
requirements h
short. Short t
being proactiv
UN, THE YEAR

The Wellcome Foundation Limited
Report for the year ended 30 August 1975

	1974-5	1975-6
Total employed	£146,821,000	£151,115,000
up sales	£172,887,000	£173,538,000
its before tax and ordinary items	£28,454,000	£23,962,000
its after tax but before ordinary items	£13,464,000	£12,389,000
ordinary items	£3,358,000	£1,828,000
tributions	£3,942,000	£2,758,000
endure on research development	£15,932,000	£11,457,000

"Total sales were £213 million. This, on a comparable basis, represents an increase of 30% over the previous year," says Mr. A. A. Gray, Chairman of The Wellcome Foundation Limited in his annual review. "£5 million only of the increase derives from the weakening value of sterling in relation to the other world currencies in which we do business.

"Profits before tax are £38.6 million. To have achieved this profit increase is an outstanding success in view of the continually rising incidence of wages, raw materials and services and high interest rates on the capital we need to finance our expanding business.

"A total of £16 million was spent on research and development and of the £16.7 million profit available after tax has been deducted, no less than 81% has been retained in the business to strengthen the group for the future.

"A proportion of approximately 85% of the group's sales to third parties was made in countries outside the United Kingdom. Direct exports from U.K. increased from £31.4 million to £44.1 million, an increase of 40%.

"It is worth noting that despite an overall increase in sales of the various divisions of the United Kingdom region, sales to the National Health Service in Britain still amount to only about 12% of the company's world ethical medical sales and around 8% of the sales of the group as a whole.

"Any prediction of future results stands or falls on the ability of governments—and most importantly the U.K. government—to reduce the current rate of inflation. In looking towards the future I can only say that the Wellcome group is better equipped than most for the times which lie immediately ahead."

Mr. John Cave, ports an increase of £122m. in turnover and a further increase in instalment credit is therefore, Forward share of the market factor contributing higher profits was in the cost of borrowings.

Looking ahead, profitability largely two factors over company has no control interest rates and which the rate of inflation can be controlled there is an upturn during 1978 Forward poised to take advantage.

During 1975 the developments and employed. First transfer in 1974 to business to Midland Leasing, a reorganisation borrowing arrangements reduction in total standing.

Secondly, Midland Finance Corporation for £18m. to bring the total to £31m. and aggregate funds to £34m.

The company has maintain its market opportunity market not expect to incur losses.

Group trading profit
Dividends
Share issues
Profit before tax

The Wellcome Foundation Limited is an international group of pharmaceutical and chemical companies with headquarters in the United Kingdom. Under the Will of Sir Henry

Wellcome, all distributions received by the trustees are applied by them to the support of medical and veterinary research in universities and hospitals throughout the world.

wellcome

wf

FIDELITY PACIFIC FUND S.A.
INCORPORATED UNDER THE LAWS OF PANAMA

The Directors have declared a Dividend of 12 1/2 cents U.S. per share the record date of which is November 26, 1975, payable January 15, 1976.

Holders of bearer shares should present Coupon No. 5 to the Head Office of the Bank of Bermuda Limited, Hamilton, Bermuda or Julius Baer-International Limited, 38 Mincing Lane, London E.C.3, or Bank Julius Bar and Company Ltd., Bahnhofstrasse 36, Zurich, Switzerland.

Registered shareholders of record November 26, 1975, will have their dividend cheques mailed to their address.

Wayne Brandon,
Assistant Manager, Security Transactions,
Hamilton Bermuda, November 26, 1975.

Vosper Thornycroft jumps to record £4m.

with the STRIPPING OUT the shipbuilding construction grant of £320,000, the total of £1,320,000. This side of the business is now the group is a normal upturn the overall profits is still corresponding to the forecast of almost 60p, almost

When reporting first half profits up from £366,951—excluding grant for £1,040,000—Mr. Vesper says the directors were expecting the year's results at least to reach the 1973-74 level without benefit of the grant.

For the current year the directors expect the forecasting further growth in profits. There are overseas contracts at present under negotiation valued at over £300m., as well as a substantial number of inquiries at more tentative stages, they report.

World demand for warships continues to be promising and it is to be hoped that "the threat of State ownership and the assurance of a substantial level of inflation will not have a damaging effect on the group's exports, per cents."

At the end of the attributable level the balance for 1974-75 emerged at £1,130m., compared with £1,150m. including construction grant. Earnings per 25p share are expected to rise from 48p to 52p.

The Ordinary dividend is raised by the maximum permitted—from 3.5215p to 3.75785p net, with a

final of 2.5785p. Vesper is a subsidiary of David Brown Holdings.

This director points out that the 1975 results have been achieved without any Government assistance: and at no time has the group been eligible for regional employment premium.

British Government contracts contributed less than 1 per cent. of the pre-tax figure.

The directors refute the allegation that Vesper, among other major companies in the same field, is entirely dependent on Government naval orders, and point out that some 80 per cent. of Vesper's turnover is export to foreign naval customers.

In the light of this they find it "difficult to understand how nationalisation can be of benefit to the company or the country. The risks involved in taking such a step might prove for political reasons as very great."

Vesper's Thornycroft employees in general are also most anxious even if many of them support nationalisation, to maintain that the company should retain its autonomy in order to secure its future. Nor do they want to see the profits have been dispersed throughout the industry via a central organisation, instead of being remitted . . . in the places where they work" the directors state.

The compensation formula under present proposals is based on average dividend share price for the period September, 1973, to February, 1974. In the case of Vesper the figure works out at 72p per share, amounting to 42.2m.

The directors stress, taking no account of growth in profits and as-set, since February, 1974, when in any case the share price was artificially depressed by a number of factors, including the fuel crisis, the three-day work stoppage and the nationalisation issue.

The Government is proposing to purchase the company's U.K. shipbuilding and repairing interests on the basis of one year's profits which they would be regarded as "fair compensation" promised by the Prime Minister in 1974-75

Group turnover	£2,810,287	£2,822,500
Trading profit	4,008,005	2,983,000
Financial income	1,000,000	1,000,000
Depreciation	517,942	422,000
Interest payable	263,720	372,788
Other	1,000,000	1,000,000
Profit before tax	4,236,343	3,678,112
Deferred tax	1,826,000	1,826,000
Other	1,000,000	1,000,000
Net profit	2,690,343	1,692,112
Minority share items	1,000,000	1,000,000
Profit, realisation	148,650	1,000,000
Amortisation	2,130,492	1,000,000
Other	1,000,000	1,000,000
Retained	1,263,954	1,238,112
Loss		

Statement, Page 18
See Lex

Caplan Profile prospects

WHILE PROSPECTS for Caplan
Préfix Group must depend "enormously" on the prevailing economic situation, the chairman, Jacques Caplan, said, "I believe the company will continue to create and take full advantage of every opportunity and will successfully combine the growth pattern established in the past."

The cash flow position remains satisfactory and facilities are adequate to complete all current expansion activities, he added.

On current trading the chairman says overall the situation is a little in excess of the same period a year ago, but he does not see the sudden downturn in the demand for office equipment products.

Demand for the products of the printing division remains strong and while the situation of the office equipment divisions is far from satisfactory, there are signs of a return to normal conditions.

Profits should be a definite advantage from the relocation of the CDA production and adjusted levels of the labour force.

A number of export markets

can too much be expected in future from this source, the directors add.

The upside is in course of change with new outlets being set up in France.

outlook is currently showing a "welcome" improvement, the directors state.

Net asset value per Income share at November 30 was 21,474 (14,18p) before the interim dividend. There were no assets attributable to the capital share (same).

Tollmache & Cobbold

Upsurge

The annual meeting of Ramsco-Hollman Pollack was held despite signs of an upturn in world industrial markets. It was too early to forecast the rate of recovery and it was felt earnings would not be this high.

However, the company was in a "strong position" to achieve even better results than last year when markets recovered. December had been particularly good for orders.

Acceptances of the offer for MTE were now approaching 93 per cent.

the reported £100,000 to audit and earn 10% to 15% during the year. The reported £100,000 to audit and earn 10% to 15% during the year. The reported £100,000 to audit and earn 10% to 15% during the year.

ing capital for the products of the seating divisions.

As reported on January 3 group pre-tax profit for the past year contracted to £583,428, or £463,808 on a turnover of £2,770m (£2,855m). The dividend is 4.28p (4.02p).

Mr. Caplan attributes the downturn in turnover and profit to the economic recession.

Turnover by division contributed 67.47 (£1.17) per cent. Turnover and plastics division 32.53 (16.83) per cent. Profit was divided as to furniture and ancillary items 53.41 (76.73) per cent. and plastics 46.59 (24.25) per cent.

Meeting, Winchester House, E.C., February 5 at 11 a.m.

1974-75 1973-74

Turnover	2,900	2,855
Profit	15,100	16,800
Taxation	530	422
Net profit	380	213
Extraordinary	380	213
Making	357	350
Preference dividends	35	25
Inter-Company Ordinary	133	257
Ordinary dividends	123	117
Reserves	200	150

* Profits less Jones on property sales.
less tax provision.

Profit is after crediting interest receivable £5,000 (£7,000) on discount on Debenture stocks redeemed £2,000 (£18,000) and

Crouch Group
sees material

Midland Cattle holds midway profit

Pre-tax profit of Midland Cattle Products, a manufacturer of animal feedstuffs and by-products, improved marginally from \$264,135 to \$288,843 in the half-year to September 30, 1975, and the directors say the prices currently firmer, they are hopeful of "a reasonable result" for the year.

Interim dividend is

Turnover

Trading profit before Depreciation

of the	Land Act. But there may be a	exceed 2,216,875p net or 3,410,275p	Income from investment
shares led to a	long delay before the authorities	gross—last year's net total was	Interest received from
balances, out-	are sufficiently organized to carry	2,041,325p paid on pre-tax profit	
	out the duties imposed on them	of 1,665,565	
and Bank	by this Act, the directors warn.	Turnover fell in the six months	Interest paid
subscribed	The improvement in trading of	from £2,026m. to £1,874m. due to	
ordinary shares,	the contracts section has been	the level of prices for finished	
up-on capital	maintained while trading condi-	goods dropping with lower world	
holders'	tions in Eire have improved, they	commodity prices. However, the	Productivity scheme
	add.	directors point to a growth in real	
continued to	The net interim dividend is	terms in the tonnages of all major	
in the	0.83375p per 25p share—against	products, apart from sausage	
1974-75 signifi-	0.75p. There are waivers of	cash, and this helped maintain	
cantly	\$12,512 (£11,725). Last year's net	trading profits despite narrower	Share of results of
	total was 2,437.5p.	margins.	companies.
		The company is still in a strong	
	Six months	liquid position. Present capital	
1974-75	2,670,000	commitments are in the region of	
7,035	242	£400,000, despite delays in the	
1,304	74	delivery of new plant and in neces-	
2,104	2,000	sary planning permission, the	
7,235	1,624	directors say they are determined	
1,527	2,706	to have all plants well equipped.	
2,519	2,519	Croda International has in-	
959	959		
2,639	1,589		
1,182	519		
	Credit		

21,090	6,000		
		100	
13,918	11,731		
20,919	37,025		
5,771	4,611		
1,523	226,870		

780	2,577		Trading profit	253,276	500,200
1,125	1,740		Depreciation	60,553	55,500
1,300	1,600		Investment income	10,553	10,500
1,197	223,696		Profit before tax	283,343	244,130
			Tax	107,750	107,750
			Profit after tax	175,593	136,380
			Interim dividend	24,948	20,000
			Retained	150,645	116,380

Subject to furnishing the necessary information, the directors of Wrigley and Sons Associated Companies' expects current year profit to exceed the £238,365—down from £705,420—for the year to March 31, 1975.

Sales for the half year to September 30, 1975, increased from £2,344m to £2,577m, and profit was marginally higher at £202,300 (£201,300) as a result of a 11.85% (£104,900). Stated earnings per 10p share decreased from 2.08p to 1.70p.

Although not as buoyant as might be desired, trade in the private sector is continuing to hold up and conversions continue to form a large part of turnover, the directors state new designs with new and improved natural wood finishes have been put on the market and have been enthusiastically received. The public sector has not really recovered as far as the group is concerned.

The interim dividend is unchanged at 1.25p per share—the previous total was 2.25p from earnings of 3.32p.

The directors continue to pursue a cautious policy. Against the backdrop of high discount interest rates the investment

Extraordinary items

Interim dividend to dividend of 1.00p per 20p share

Retained and added to reserves

Earnings per 20p ordinary share based on average number of shares outstanding during the year

based on total number of shares outstanding at end of year

A major factor in the interim summer weather. Beer sales increased in volume by 10% canned and keg beers, a year's figures, but a falling price. Hotels, Managed Houses

profits.

RECENT ISSUES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

Asset	Current Price	Latest Reported Dates	1975-6 High - Low	Stock	Closing Price (Feb 1976)
100	Ni		10 1/2	Amber Day	18 1/2
100	P.P.	19.12.30.1	180	Anglo Arab Argand	30 1/2
25	P.P.	19.12.30.1	30	Bank of Alexandria	30 1/2
25p	P.P.	11.12.5	106	Barclays (S & W)	140 - 8
25p	P.P.	19.12.16.1	94	British Home Stores	90 1/2
100	P.P.	8.12.12	135	British Overseas Airways	80 1/2
25	P.P.	8.12.12	61	British Petroleum	155 - 5
25	P.P.	8.12.12	113	Clarks & McHardy	80
100	P.P.	8.12.12	113	Deutsche Bank	100
10p	P.P.	9.12.20.1	70	Kerr's Economiser	77
10p	P.P.	17.12.16.1	144	Kwik Save Discount	143 - 1
50p	NH		10	Lake & Laidlaw	19 1/2
50p	NH	23.12.31	30	Leavens Group	30 1/2
100	P.P.	23.12.30.1	24 1/2	Lighting & Sign	32 1/2 - 1
65	NH	19.12.16.1	125	Morison S.S.	94
150	NH	30.12.13.1	160	Nat. Bank of Aust.	147 1/2 - 2
100	P.P.	19.12.16.1	100	Plaxton	100
100	P.P.	31.12.5	92	Polimath (A & J)	87 - 2
100	P.P.	30.12.10	41	Raytheon	40 - 1
100	P.P.	19.12.16.1	100	Shaw Savill	100
100	P.P.	19.12.21.1	65	Shillies	43 1/2
85p	NH		28	Trainer House	28 1/2

Refundation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. c Dividend rate paid or payable on next annual cover based on dividend on full capital. ^{new} Since

a Otherwise otherwise indicated. w Forecast dividend: cover based on previous year's earnings. f Figures assumed. c Cover allows for conversion of shares not now outstanding for dividends or redemptions only for restricted dividends. = Issued by tender. o Offered to holders of Ordinary shares as a "rights." s Sfr Sfr. cents. t Rights by way of capitalisation. t Tender allotment price. r Reintroduced. i Issued in connection with reorganisation, merger or take-over. i Introduction. i Issued on preference holders. A Allotment letters (or fully-paid). p Provisional or partly-paid allotment letters. w With warrants.

The Royal Bank of Scotland
INTEREST RATES

The Royal Bank of Scotland Limited announces that with effect from 13th January, 1978, its Base Rate for lending is being reduced from 11% per annum to 10½% per annum. The maximum rate of interest allowed on Deposits lodged for a minimum period of seven days or subject to seven days' notice of withdrawal at the London Offices of the Bank will be reduced from 7% per annum to 6½% per annum.

**The Royal Bank of Scotland Limited, Head Office, 20, Box 31,
42 St. Andrew Square, Edinburgh, EH2 2YE.**

sh & Newcastle

**son & Newcastle
series Limited**

INTERIM REPORT

6 weeks ended October 26, 1975

October 26, 1975 the group profit before taxation was compared with £12,194,000 for the corresponding half-year held yesterday the Board of Scottish & Newcastle

and an interim dividend of 1.00p per share on the issued increased by the 1 for 4 rights issue last August, in reading May 2, 1976. The interim dividend will be paid on holders on the register at the close of business on March dividend has been raised from 0.84p per share paid last the proportion that the interim dividend bears to the considering the recommendation of a final dividend, the to any unforeseen developments, to increase the total for the year to the maximum level at present permissible Regulations.

the 26 weeks ended October 26, 1975 are as follows:		
	Oct 26 1975 £000	Oct 27 1974 £000
	<u>152,892</u>	<u>117,655</u>
Depreciation	<u>21,229</u> <u>3,363</u>	<u>17,045</u> <u>2,964</u>
	<u>17,866</u>	<u>14,084</u>
Assets	<u>607</u>	<u>222</u>
Trade loans	<u>534</u>	<u>483</u>
	<u>19,007</u> <u>2,483</u>	<u>14,789</u> <u>2,406</u>
	<u>16,524</u>	<u>12,383</u>
Settlement	<u>—</u>	<u>796</u>
	<u>16,524</u>	<u>11,587</u>
Accrued	<u>908</u>	<u>607</u>
ATION	<u>17,432</u> <u>9,277</u>	<u>12,194</u> <u>6,557</u>
	<u>8,155</u> <u>3</u>	<u>5,637</u> <u>(37)</u>
	<u>8,152</u> <u>246</u>	<u>5,674</u> <u>285</u>
Ordinary	<u>7,906</u>	<u>5,409</u>
Extraordinary items	<u>343</u>	<u>(161)</u>
	<u>8,249</u>	<u>5,248</u>
Shareholders	<u>2,721</u>	<u>1,829</u>
General reserve	<u>5,528</u>	<u>3,419</u>
Ordinary share:		
Number of shares		
per period	<u>3.34p</u>	<u>2.48p</u>
of shares		
of the period	<u>2.90p</u>	<u>2.48p</u>

Improvement in profit before taxation was the exceptional feature of the larger sales in the 26 weeks to October 26, 1975 which were up over 5 per cent. The highest gains were shown by the larger sales since October 26 are still in excess of last year and in volume is to be expected for the rest of the year. Beer and Wines and Spirits all showed an improvement in

Scottish & Newcastle goes well ahead

TAXABLE PROFITS of the Scottish & Newcastle Breweries group have jumped from £12.9m. after a non-recurring £18m. productivity scheme settlement in the first half of last year, to £17.43m. in the 26 weeks to October 26, 1973, a major factor in the improvement being the exceptional summer weather. Total for the previous year was £23m.

Beer and lager sales increased in volume by just over 5 per cent, the highest gains being shown by canned and keg beers, and lager.

Sales since October 26 are still in excess of last year's figures, but a falling trend in volume is to be expected for the rest of the year, says chairman Mr. P. E. G. Balfour.

Hotels, managed houses and wines and spirits all showed an improvement in profits.

Stated earnings per 20p Ordinary share for the period advanced from 2.48p to 3.54p based on the average number of shares outstanding, and from 2.49p to 2.90p based on the total number outstanding at the end of the period. The net dividend is raised from 0.84p to 1p, payable on 15th November 1973 to holders of the proportion it bears to the total. Subject to any unforeseen developments, the directors intend to increase the total from last year's 2.5232p to the maximum presently permitted.

1973	1972
Turnover	152,252
Trading profit	21,238
Depreciation	1,238
Balance	17,430
Invest. income	887
Int. from trade loans	354
Marketing	19,067
Improvement	2,893
Productivity	11,729
Leasing	16,324
Share Associates	905
Profit	21,432
Taxation	2,277
Net profit	19,155
Minority	3
Prof. dividend	248
Dividend	718
Extraordinary	341
Interim dividend	2,271
Retained	6,533

Statement, Page 19

See Lex

Savings Bonds conversion

The Treasury announces that a conversion offer will be made to holders of 2 per cent British Savings Bonds (Fourth Conversion Issue) issued on April 15, 1971 and May 1, 1971, which mature on May 15, 1976 and are

repayable on application at £102 per cent, on maturity.

Holders will be invited to exchange on May 15 into 91 per cent British Savings Bonds (Second Conversion Issue) repayable on application at £109 per cent, on maturity. Terms of these new bonds will be as the subscription issue which went on sale on June 3, 1974 except that interest will be payable on April 1 and October 1.

Holders of the maturing Bonds who decide not to accept the offer should apply for repayment—they can only be repaid upon maturity. Accepting holders will receive on May 15 next the final interest payment on the maturing Bonds, for the period November 15, 1973 to May 14, 1974, at the maturity premium of 23 per cent, on Bonds exchanged.

See Lex

Intl. Timber setback

FIRST HALF (to September 30, 1973) sales of International Timber Corporation were little changed at £50.92m., against £51.43m. but pre-tax profit contracted sharply from £23,382,000 to £16,050,000.

Trading conditions in the U.K. continued to be difficult with increased costs, and the lower profit resulting was further affected by losses in Holland and Belgium where conditions were more severe, the directors report.

The second half will show an improvement but the result for the full year is unlikely to reach last year's £1,646,000, they add.

Half-year Year

1973	1972
External sales	50,922
Profit	1,605
Interest	1,238
Balance	17,430
Invest. income	887
Int. from trade loans	354
Marketing	19,067
Improvement	2,893
Productivity	11,729
Leasing	16,324
Share Associates	905
Profit	21,432
Taxation	2,277
Net profit	19,155
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See Lex

MINING NEWS

More of South Africa's dollar-rand alchemy

BY KENNETH MARSTON, MINING EDITOR

THE LATEST batch of December quarter results from the South African gold mines continue the story of higher profits resulting from the exchange gain on the Rand's 17.5 per cent devaluation in September which has more than outweighed the effects of a lower U.S. dollar price for gold.

As usual, there are quite sharp variations in the average gold prices received by individual mines, an inevitable result of the timing of sales made in a fluctuating market—but as far as the Consolidated Gold Fields group is concerned, some sizeable increases in Rand profits are reported for the past quarter as the following table shows.

Dec.	Sept.	June
1973	1973	1973
Consolidated Gold Fields	1,238	1,238
De Beers	1,238	1,238
Anglo American	1,238	1,238
Gold Fields	1,238	1,238
W. Rand	1,238	1,238

De Beers

Anglo American

Gold Fields

W. Rand

Consolidated Gold Fields

De Beers

Anglo American

Gold Fields

W. Rand

Consolidated Gold Fields

De Beers

Anglo American

Gold Fields

W. Rand

Consolidated Gold Fields

De Beers

Anglo American

Gold Fields

W. Rand

Consolidated Gold Fields

De Beers

Anglo American

Gold Fields

W. Rand

Consolidated Gold Fields

De Beers

Anglo American

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W. Rand

Consolidated Gold Fields

De Beers

Anglo American

Gold Fields

W. Rand

Consolidated Gold Fields

De Beers

Anglo American

Gold Fields

W. Rand

Consolidated Gold Fields

De Beers

Anglo American

Gold Fields

5.16m. tons at 8.3 grams compared with 6.12m. tons going 8 grams.

A feature of the General Mining group's quarterlies is the more than double working surplus achieved by Siltfontein. It illustrates the gearing impact of a small change in fortunes on profits of such marginal producers; they should leave any fresh revival in gold prices.

Siltfontein milled less ore in the latest period but a higher grade lifted the output of gold while costs were modestly reduced and a higher Rand gold price was received. This has added up to a profit per ton of ore milled of R4.38 compared with only R2.44 in the September quarter.

Buffelfontein has also done well, thanks to improved gold recovery and higher Rand prices for bullion in the face of a continuing shortage of black labour, an underground fire and plant problems. The group's latest results are compared in the following table.

Dec.	Sept.	June
1973	1973	1973
Consolidated Gold Fields	1,238	1,238
De Beers	1,238	1,238
Anglo American	1,238	1,238
Gold Fields	1,238	1,238
W. Rand	1,238	1,238

De Beers

Anglo American

Gold Fields

W. Rand

Consolidated Gold Fields

De Beers

Anglo American

Gold Fields

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Gold Fields

W. Rand

Consolidated Gold Fields

De Beers

Anglo American

Gold Fields

W. Rand

Consolidated Gold Fields

Less S. African coal for Japan

WHILE South Africa is due to start coal deliveries to Japan from the beginning of April, when the new Richards Bay harbour will be opened, the Japanese steel mills have agreed to cut back the contracted delivery amount of 7.5m. tons in 1973, by 1.4m. tons.

The arrangement has come about because South Africa's ISCOR has asked the local collieries to supply it with additional blast cooking coal due to its expansion and also because its initial experiments with form coke have not as yet reached the point where form coke can be substituted.

Mr. Johannesburg correspondent reports that with the recession in the steel industry, the Japanese mills who signed the contract with the Transvaal Coal Owners Association have been, it seems, quite prepared to reduce their intake, having already cut back on Australian supplies. Meanwhile ISCOR is to pay the collieries not less than the price they would have received from Japan.

Mr. Alan Tew, managing director of the TCOA, said that the manner of making up the tonnage to Japan in future is still under discussion and it is implied that the total amount of the contract, which is 27m. tons over ten years, will not be altered.

One factor may be the rumoured Japanese involvement in the high quality coking coal deposit at Motatze in Mozambique, where ISCOR was involved before the Frelimo takeover. Motatze is currently producing 150,000 tons per year of high grade coking coal and has plans to increase its output substantially.

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Income Profit

Gerling appeal Herstatt

hols Colchester
BONN, Jan. 13. A winning three court appeal against the collapse of the Bank of Herstatt, Dr. Hans Gerling, chairman of the bank, said yesterday that he would appeal the fourth judgment that found him liable for the bank's collapse. The court ordered 100 to be paid in damages. The court also ordered that the bank's largest shareholder, the Herstatt Bank, be liable for losses suffered by creditors. The court also ordered that the bank's largest shareholder, the Herstatt Bank, be liable for losses suffered by creditors. The court also ordered that the bank's largest shareholder, the Herstatt Bank, be liable for losses suffered by creditors.

British Gas message for state sector

BY MARY CAMPBELL

THE SIZE of British Gas Corporation's Eurobond issue has been increased from £40m. to £60m. and the closing date has been brought forward to tomorrow from next Monday, lead manager Warburg's said yesterday. With the issue expected to be well oversubscribed, even at the £60m. level, it is felt that the pricing is likely to be at par rather than at a discount.

The issue has undoubtedly been helped by the further fall in coupon levels since it was announced late last week. This was a notable example of the market's reaction to the Tuesday evening of an 81 per cent coupon on the £100m. issue for the Kingdom of Norway.

A particularly encouraging feature of the issue is the demand to be the highest of any Eurobond issue in the market, right across the spectrum of Eurobond investors. This suggests that

British state sector borrowers will be able to take full advantage of the current boom in the Eurobond market.

What remains to be seen is whether there is any possibility of cutting the differential between the cost of funds for the British Government and the Gas Corporation's issue is guaranteed by the Treasury — and other governments.

It would have been surprising if the country's first attempt to raise funds on the private sector capital markets overseas had not involved some generosity in the pricing after the last two years of almost uniformly bad economic news from Britain. However, when the issue was first announced at least, there were one or two voices in the market suggesting that even 9 per cent was not sufficient for a British state sector credit. This could mean that Britain will have to accept that its credit rating is

somewhat less than prime for the foreseeable future.

Olivetti International, the Luxembourg-based holding company for the Olivetti group's interests outside Italy, is raising \$20m. on the Eurobond market. The proceeds of the three-year loan, which was signed recently in London, are to be used for new investment and working capital requirements. The lead manager for the loan is Euroamerica International Bank. It offers participants a spread of 13 per cent. above inter-bank rates.

It is understood that one of the areas where the group intends to expand is Scotland, where it has an operation producing portable electric typewriters.

Indicated coupons on the two tranches of Olivetti's Eurobond issue are 91 per cent for the ten-year bonds and 81 per cent for the six-year notes.

Rabobank records 'major growth' in 1975

BY MICHAEL VAN OS

CENTRALE RABOBANK, the Dutch co-operative banking group which specialises in agricultural credit, said, quoting provisional figures, that it had again recorded "major growth" and "satisfactory results" in the past year.

The figures released here at a Press briefing indicate that the Dutch Farmers' group's consolidated balance sheet total reached Fls.46.2bn. in 1975, an increase of 24 per cent. over the previous year in which growth rate was 18 per cent. But although the company chairman Dr. A. J. Verhage expressed satisfaction with the results, these had not kept pace with general business growth. One reason was the incidental additional expenditure

on pension provision improvements for staff of associated banks.

"As a result, the relative increase of the operating result remains clearly behind that of 1974, certainly when one takes into account the growth of business and the necessary reinforcement of the solvency position," Dr. Verhage said. The bank said that against the background of the economic situation with the relative strong decline in the capital position of many companies, a further reinforcement of the solvency position of the bank was urgently necessary. That was why Centrale Rabobank had, as in the previous year, added an 11 per cent of the consolidated important share of its gross balance sheet total (up some 6

per cent from the year before).

The company was aiming to expand its foreign business. As far as its home business was concerned, Rabobank noted that the slowing down of the growth rate of advances which had started in 1974, had continued for much of 1975 though less strongly than in the year before. Over the whole year, however, the granting of new loans had remained at a high level.

As for developments in the current year, Dr. Verhage commented that capital market interest rates would show little movement in the first half. As a result of the improvement of the economy in the second half, a slight increase in rates was expected in July/December.

AMSTERDAM, Jan. 13

New scheme for Patrick

BY JAMES FORTH

THE TRUSTEE for the partners of the failed shareholding firm, Patrick Partners, has come up with a new scheme of arrangement which could save the partners from bankruptcy. The trustee for 11 of the 12 partners, Mr. Jim Jamison, has asked creditors of the firm to attend an unofficial meeting on January 20 to consider the proposal. Formal approval cannot be given until the adjourned creditors' meeting is officially reconvened on February 27.

Mr. Jamison is seeking the earlier meeting because bankruptcy petitions by the Sydney stock exchange for sequestration of the estates of the partners are returnable on February 28, and it is important that an expression of the views of creditors be obtained at the unofficial meeting. If the new scheme is approved, the return to business is expected to be between 29.9 cents in the dollar and 36.6 cents, whereas under bankruptcy the range is reduced to between 17.7 and 21.1 cents.

The new scheme involves the formation of a company, Jamsar Management, a company sponsored by a group of Victorian doctors, raising \$A5m. through capital and loan funds. Jamsar would acquire Foreign Exchange Sales Pty., the company which had been the main asset of Patrick Partners.

Jamsar would also form a new underwriting company to acquire the underwriting business of Wearla Pty. Ltd., a subsidiary of Patrick Partners, for \$A250,000.

Some of the former partners of the broken firm would be employed by these companies, and another company to be formed by Jamsar. Most of the remaining partners are already working for another Sydney share-broking firm.

A major aspect of the plan is the ability of the partners to continue to work in the \$A2.5m. A favourable response at the unofficial creditors' meeting would probably mean withdrawal of the bankruptcy appointed Mr. Jamison as his petitions.

trustee, have agreed to contribute \$A500,000 over the five-year period of the scheme.

Mr. Jamison has negotiated an agreement under which all dividends from PIAL flow to Inter-marine and will release all charges held by it over Wycarria and another Patrick company, Mittina. In return, Mr. Jamison has agreed to accept Inter-marine as a creditor of the joint estate of the broken firm for about \$A2.5m. A favourable response at the unofficial creditors' meeting would probably mean withdrawal of the bankruptcy appointed Mr. Jamison as his petitions.

Satisfactory gains at Woolworth

By Richard Rolfe

JOHANNESBURG, Jan. 13. THE SOUTH AFRICAN Woolworth group, unconnected with Woolworth U.K., but which has strong links with Marks and Spencer, has reported a satisfactory rise in turnover and profits for its six months to November 27. Turnover was up from \$A8.1m. to \$A8.2m. and profits from \$A1.1m. to \$A1.2m.

Pre-tax profits moved up in exact proportion to sales from \$A4.4m. to \$A4.5m. and net earnings were up by 2.3c to 15.4c. The dividend is 1c better at 6c and a total for the year of at least 15c, compared with 13c, looks likely, putting the shares at 315c for both ordinary and the "A" shares on a prospective 4.8 per cent yield.

Woolworth currently has a market capitalisation of \$A90m. It operates 62 stores in South Africa, mainly retailing clothing and foodstuffs, and is also a substantial property owner. It holds 225,000 M and S shares and links between the two companies were further formalised last year with the appointment of Mr. Marcus Siff in the Woolworth Board.

M and S retaining its shareholding in Woolworth, Woolworth draws on M and S expertise in quality control and other areas and also sells some M and S brands.

In its statement to the interim, the Board says that mark-ups have been reduced as was foreshadowed at the last AGM and that the policy will continue "in implementation of the government's manifesto to support the country's fight against inflation." It adds that the profit increase despite lower mark-ups has been achieved by "strict control of all operating expenses."

Woolworth had good trading over Christmas and over seven months sales are showing a gain of 17.3 per cent. over the previous year. The Board concludes that if the trend continues there will be a satisfactory rise in annual profits.

New Brunswick to raise \$30m.

By Mary Campbell

THE NEW Brunswick Electric Power Commission is making a \$30m. Eurobond issue under guarantee of the Province of New Brunswick. The indicated coupon is 9 per cent and the maturity seven years. Lead manager is Boston (Europe).

Also on offer is a \$A25m. issue for Rynor, the Canadian mortgage banking subsidiary of Royal Bank of Canada. This issue offers an indicated coupon of 9 1/2 per cent.

BHP raises \$A55m.

BY JAMES FORTH

BROKEN HILL Proprietary Co., Australia's largest company and the sole steel producer, has raised \$A55m. through a placing of long term debentures with five Australian trading banks.

The group is committed to a large expansion programme, put in place at the start of the year although the Board had deferred some items after a review of expansion plans. At the annual meeting last month the company funds a large part of its capital spending from its own strong cash flow, but the target for funding over the next year was more than \$A100m. Since then BHP has raised \$A100m. (SA\$79m.) flow forcing the group to look with a private placing of stock with American banking institutions.

The interest rate was around 8 1/2 to 9 per cent. It means that the group has already raised about \$A.130m. in the past four months.

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Record spending by Conoco

BY RAY DAFTER, ENERGY CORRESPONDENT

CONTINENTAL OIL plans to spend a record \$1bn. on plant and exploration this year, 37 per cent more than in 1976.

The company said that more than half this year's total was earmarked for energy projects in the U.S. although substantial amounts would also be spent in Belgium, on a chemical plant, Germany, and New Zealand, where it has an extensive offshore development programme.

Mr. Howard Blauvelt, Conoco's chairman, said that the U.S. commitment was being made even though domestic investment was discouraged by such counter-productive measures as repeal of the depletion allowance and the rollback of domestic crude oil prices.

He added, however, "We have our continued high level of commitment to the development of petroleum reserves in the North Sea."

In London a spokesman commented that the company had a capital commitment to develop its share of the Thistle, Dunlin and Statfjord fields although no decision had yet been taken on plans for the Hutton field.

Similarly, the group was still involved in a study stage over plans for a major ethylene plant in the U.K.

Atlantic Richfield/Pacific agreement cancelled

FINANCIAL TIMES REPORTER

ATLANTIC Richfield Company action, which was taken jointly with announced the termination with Pacific Lighting, also of the agreement which gave the utility from payment of Pacific Lighting Corporation of an estimated \$320m. to Atlantic Richfield over the next 13 years per cent of Atlantic Richfield's and removes the gas commitment North Slope Alaska Gas. The to the Southern California area.

Colocotronis loans detailed

BREMEN, Jan. 13.

OVER 40 per cent of the \$320m. outstanding obligations of the Colocotronis Shipping Group is covered by the 15 German banks in the international consortium formed to resolve the group's liquidity problems, a spokesman for Deutsche Schiffahrtsbank has stated.

He added that Schiffahrtsbank is leading the German sector of the 70-bank consortium but has covered an excessive part of the debt itself.

The 35 banks in the U.S. part of the consortium, led by European-American Banking of New York covered possibly another 40 per cent, with the rest taken by U.K. banks, he said.

Deutsche Bank holds 25.2 per cent of Schiffahrtsbank and 20 per cent in European-American Banking. A 42,000 ton tanker belonging to Colocotronis is still powered in a Hamburg shipyard, while two repair companies await clarification of arrangements for payment of bills totalling about DM5.3m.

Court orders impounding the Pacific Colocotronis were issued to Turbo/Technik of Wilhelmshafen on December 30, and to Howaldtswerke Deutsche Werft last week. The ship is held at the Howaldtswerke yard where it entered for repairs about two months ago.

Reuter-AP/DJ

Swedish Pensions Fund outperforms index

BY WILLIAM DUFFOURE

SWEDEN'S National Pensions Fund, whose investments in private company equity have been a controversial issue in recent Swedish politics, continues to outperform the Stockholm stock exchange general index. In the first 11 months of last year its share holdings, adjusted for sales and purchases, appreciated by 30.6 per cent compared with a rise of 27.6 per cent in the general index of Aftersparanden, the weekly financial newspaper.

These figures are contained in the national budget submitted yesterday to Parliament, which is asked to approve a new Kr.500m. (US\$55m.) investment allocation for the fund, additional to the Kr.500m. originally authorised to invest in 1976.

By the end of November the fund had bought shares for a total of Kr.404.6m. (\$45m.) against Kr.232.1m. at the beginning of the year. The market value of its portfolio on November 30 was Kr.421.9m. (\$47m.).

Its stock market dealings during the period, including acceptance of takeover offers produced gains of Kr.6.4m. and losses of Kr.0.9m. Adding income of Kr.20.9m. from dividends and interest to these capital gains, the fund shows earnings of Kr.28.5m. (\$3m.), of which it has allocated Kr.10.37m. for tax.

During the 11 months the fund reduced the number of companies in which it holds shares from 25 to 22, buying for the first time in 1976 Astra, pharmaceutical company. Billerud, the forest industry concern, and Hoganas, the steel company. It sold holdings in the Skanska construction

STOCKHOLM, Jan. 13.

company, Iggesund, the forest products, steel and chemicals group, and the Sydskraft power company.

By far the largest holding, equivalent to over a quarter of the market value of its portfolio, is in Volvo. The two next largest are Astra and Billerud, the telecommunications concern, and AGA, the industrial gas welding and electronics company.

Since the publication in August of the proposal by Mr. Rudolf Meidner, the trade union economist, for the establishment of collective union funds, which would gradually acquire majority control of private companies, some independent economists have suggested that the national pensions fund might be a more efficient way of extending public influence over private industry.

Exports boost Astra margins

BY WILLIAM DUFFOURE

ASTRA, the Swedish pharmaceutical concern, has managed an 18 per cent profit increase in 1976 on a 17 per cent rise in turnover, thanks chiefly to a good export performance. These results, however, fall just short of the 20 per cent increase in both earnings and sales forecast by managing director Arne Wegerfelt in earlier interim reports.

Pre-tax earnings, before extraordinary items, rose from Kr.72m. in 1974 to Kr.82m. (\$10.2m.) on total sales of \$1.28bn. (\$1.43bn.).

An extraordinary credit of Kr.28m. mainly accruing from the sale of Astra Distribution, the Swedish marketing network, gives a final pre-tax profit of Kr.820m. (\$115.5m.), against Kr.50m. in 1974.

The sale of Astra Distribution has helped the concern maintain a strong financial position. At the end of the year, cash balances had risen from Kr.47m. to Kr.90m., while ratio of equity to capital employed is estimated to have risen from 35 per cent to about 37 per cent.

Sales abroad rose by 23 per cent to Kr.683m. and achieved better profit margins than sales in Sweden, where earnings stagnated due principally to stiff price controls. These did not allow the company to compensate fully for material and wage cost increases.

During the year, Astra survived a move at the ruling Social Democrat party conference to include nationalisation of the pharmaceutical industry in the party programme. Instead, it was agreed that Astra would co-operate with the state-owned pharmaceutical company, in research and marketing.

Mr. Wegerfelt expects turnover to rise by 18 per cent in 1977 but warns that wage increases already negotiated will eat into earnings by the company's domestic operations. Earnings from sales abroad should continue to develop well, however, and, if price increases are permitted in Sweden, Astra's overall earnings this year should keep pace with the growth in turnover.

Investments planned for 1977 will drop slightly from the Kr.100m. paid out in 1976 and should be financed by cash flow.

STOCKHOLM, Jan. 13.

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Nordic Bank profits decline

BY MARY CAMPBELL

NORDIC BANK, the London-based consortium bank owned by a number of banks from different Nordic countries, yesterday reported a small fall in profits between 1974 and 1975. Trading profits were down from £2.2m. to £2.1m. and after-tax profits from £772,000 to £715,000.

The cut in profits reflects a decision in the uneasy market conditions of early 1975 to maintain, at some cost, a high level of liquidity. Nordic Bank said

STOCKHOLM, Jan. 13.

been exposed to no losses and not found it necessary to make provisions against losses.

With an eye to the Bank of England's increasingly tight requirements on capital adequacy, the bank's shareholders made a further \$3.27m. holding of capital at the turn of the year. The maturity of all the bank's loan stock, which is convertible and subordinated, has been lengthened from 1982 to 1987. Total shareholders' funds now stand at £16.7m.

Renault output cut

BY ROBERT MAUTHNER

RENAULT, the State-owned French motor manufacturer, has announced a drop in output of 5 per cent in 1977 owing to a combination of effects of recession, damaging strikes at the beginning of the year and the hardening of the franc on the exchange markets.

Investment figures for last year and estimates for the current year have not yet been announced, but it is generally expected that spending in 1977 will be somewhat greater than in the previous two years and this approach the long-term average effect was given as long ago as 1974.

The lower production and export figures for 1977 are yet another indication that the company's financial results will not be good. A warning to this effect was given as long ago as 1974.

SELECTED EURODOLLAR BOND PRICES

MID-DAY INDICATIONS

STRAIGHTS	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Amsterdamsche 1984	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104
Amsterdamsche 1985	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104
Amsterdamsche 1986	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104
Amsterdamsche 1987	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104
Amsterdamsche 1988	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104
Amsterdamsche 1989	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104
Amsterdamsche 1990	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104
Amsterdamsche 1991	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104
Amsterdamsche 1992	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104
Amsterdamsche 1993	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104
Amsterdamsche 1994	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104
Amsterdamsche 1995	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104
Amsterdamsche 1996	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104
Amsterdamsche 1997	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104
Amsterdamsche 1998	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104
Amsterdamsche 1999	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104
Amsterdamsche 2000	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104	104

Nordic Bank

Summary of Audited Accounts for the year ended 31st December 1975

Balance Sheet	1975	1974
Assets	£'000	£'000
Cash at Banks, Money at Call and Short Notice, CD's and Bills of Exchange	65,875	62,337
Deposits with Banks	31,256	31,447
Loans and Advances Repayable within 1 year	49,354	39,193
Loans and Advances Repayable after 1 year	78,503	63,574
Customers' Liabilities for Acceptances	7,910	7,947
Other assets	10,235	5,587
Total Assets	243,133	209,100
Less Liabilities		
Current and Deposit Accounts	218,976	178,544
Certificates of Deposit	2,595	3,445
Acceptances Payable	7,910	7,947
Other Liabilities	6,910	6,253
	£16,722	£13,591
Represented by Shareholders' Interest		
Share Capital	7,000	7,000
General Reserve	1,500	1,500
Retained Earnings	809	809
Convertible Subordinated Loan 1987 (1982)	7,413	4,997
	£16,722	£13,591

Profit and Loss Account

	1975	1974
Trading Profit for the year before Taxation	£'000	£'000
Interest on Subordinated Loan	2,092	2,199
Less Interest on Subordinated Loan	517	487
Profit before Taxation	1,575	1,712

WALL STREET OVERSEAS MARKETS + FOREIGN EXCHANGES

Early 4.5 reaction in record volume Gold weaker

BY OUR WALL STREET CORRESPONDENT

BOOM CONDITIONS in the heaviest first-hour trading on Wall Street eventually attracted profit-taking and the market turned lower, following a series of gains.

The Dow Jones Industrial Average further advanced 4.36 to 925.93 in the first hour, and brought to nearly 75 points the jump in the Blue Chip Average.

Closing prices and market reports were not available for this edition.

Since the first of the year. But by 1 p.m. the DJIA came back to 917.54, for a net loss of 4.35 on the day. The NYSE All Common Index lost a net 21 cents to 930.78, after rising to 931.29.

Turnover at noon of 17.3m. shares was the heaviest in the New York SE history, surpassing the old mark of 17.07m. shares set on January 28, 1973 for the first two hours of trading. The high speed "ticker" was running as much as 24 minutes behind floor transactions, which was the slowest since May 8, 1968, when it ran 26 minutes late.

Analysis attributed the market's early continued strength to lower interest rates, an easier U.S. monetary policy and signs that inflation has moderated.

Among the early strong features were Williams, up \$11 to \$32.1; IBM \$1 to \$23.7; Digital Equipment \$1 to \$15.1; United Technologies \$1 to \$32, and Upjohn \$1 to \$46.7.

Bank was up \$11 to \$32 and Best Products \$1 to \$17.1.

But Data General fell \$2 to \$41, although it reported a record first quarter profit.

Polaroid lost \$1 to \$34.3, despite its expectation of 1975 earnings to double the 86 cents a share it earned in 1974.

A. R. MacArthur was off \$2 to \$39. Halliburton \$1 to \$15.9, Getty Oil \$1 to \$17.1, Hewlett-Packard \$1 to \$10.1, and A. E. Staley \$1 to \$33.

The American SE Market Value Index was off 0.05 to 90.58, while the turnover expanded 610,000 shares to 2.1m, compared with 1.9m yesterday.

Keweenaw Industries, a volume leader, climbed \$1 to \$17.1. Prealco, also active, gained \$1 to \$10.

Canada up again

Canadian Stock Markets made further headway in active trading yesterday morning.

The Industrial Share Index gained 1.06 to 73.25. Base Metals 0.50 to 75.50. Western Oil 0.57 to 20.51. Utilities 1.10 to 130.00. Banks 0.75 to 230.79 and Papers

0.89 to 100.97. Only Golds, down 8.89 to 246.45, moved against the general trend.

Royal Canadian Improved \$1 to \$29.1, Hudson's Bay Oil and Gas \$1 to \$28.7, and Dominion Foundries and Steel \$1 to \$24.

Denison Mines rose \$1 to \$61.1.

PARIS—Mixed in moderately active trading. The further lowering of the Call money rate to 6 per cent from 6 1/2 was a favourable factor, but there was some apprehension over France's trade figures due to be released on Wednesday.

Banks, Foods, Holdings and Motors did well, while Engineers, Metals and Chemicals slipped back.

U.S. stocks followed New York's lead.

STANDARD AND POORS U.S. STOCK INDEX

Jan. 13, 1976

Jan. 12, 1976

Jan. 11, 1976

Jan. 10, 1976

Jan. 9, 1976

Jan. 8, 1976

Jan. 7, 1976

Jan. 6, 1976

Jan. 5, 1976

Jan. 4, 1976

Jan. 3, 1976

Jan. 2, 1976

Jan. 1, 1976

Dec. 31, 1975

Dec. 30, 1975

Dec. 29, 1975

Dec. 28, 1975

Dec. 27, 1975

Dec. 26, 1975

Dec. 25, 1975

Dec. 24, 1975

Dec. 23, 1975

Dec. 22, 1975

Dec. 21, 1975

Dec. 20, 1975

Dec. 19, 1975

Dec. 18, 1975

Dec. 17, 1975

Dec. 16, 1975

Dec. 15, 1975

Dec. 14, 1975

Dec. 13, 1975

Dec. 12, 1975

Dec. 11, 1975

gains. International Oils generally advanced but Gold Mines mostly fell back.

BRUSSELS—Generally higher under the influence of Wall Street.

U.S. values also rose. British and French issues were little changed, while West German and Dutch shares were slightly lower.

Gold mines were generally easier.

GERMANY—Mixed in nervous trading.

Banks were up to DM50.90. Chemicals, Electricals and Steels were generally maintained, although Bayer lost DM1.5.

Motors, led by Daimler, finished up to DM4 higher.

Domestic Bonds put up to 100.

MILAN—Slightly easier on buyer reserve, while awaiting signs of a solution to the Italian Government crisis.

Bonds were higher.

TOKYO—Market firmed again, despite the introduction of tighter margin requirements on all stocks being raised, effective Tuesday, to 40 per cent from 30 per cent. Cash required was left at 10 per cent.

Japanese Government's campaign to boost computer exports helped Fujitsu, Nippon Electric and Oki Electric.

Y17 to \$35 on Government and Bank help to Oil Companies in inventory financing.

Ataka rose Y43 to 248 on reports of its business tie up with C. Itoh, off Y10 to 398.

HONG KONG—Mixed in nervous trading.

Hong Kong Bank were down 20 cents to HK\$10.50, Hong Kong Land 5 cents to 7.50, Hutchison 2.5 cents to 2.25 and Hong Kong Kowloon Wharf 10 cents to 14.50.

Utilities, however, were strong. China Light moved up 20 cents to HK\$1.50 and Hong Kong Telephone 10 cents to 15.50.

JOHANNESBURG—Gold shares eased following the lower bullion price.

Financial Minings were mixed. In Copper, Palmina gained 40 cents to R10.50.

Platinum rose 10 cents to R10.50. Armer, while other Metals were mixed.

Coal shares were in fair demand but prices were virtually unchanged. Industrials also were little changed in quiet trading.

AUSTRALIA—Generally lower as profit-takers moved in on lead-zinc, particularly among Minings.

Bank of NSW dipped 6 cents to \$4.85, CBA 5 cents to \$4.85 and National Bank 2 cents to \$4.85.

The following nominal rates were quoted for London dollar certificates on deposit: one month 8 1/2 per cent; three months 8 3/4 per cent; six months 8 3/4 per cent; one year 8 1/2 per cent.

Rates are nominal rates only. U.S. dollars and Canadian dollars and two-day notice for gold and silver.

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DM50.90 with the Regulating Authorities selling.

DM10m. nominal of stock Foreign Mark Loans were firmer.

SWITZERLAND—Broadly higher in very active trading.

Banks and Insurance advanced, Financials firmed, while Industrials and Chemicals were mixed.

State Bonds were firmer, reflecting Monday's bank rate cut by the Swiss National Bank.

Dollar shares were considerably higher, Dutch shares were well maintained, while Germans were slightly lower.

OSLO—Industrials and Insurance firmed, Banks were mixed, while Shipping was steadier.

VIENNA—Generally steady in light trading.

MELBOURNE YIELDS

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Dec. 19, 1975

Dec. 18, 1975

Dec. 17, 1975

Dec. 16, 1975

Dec. 15, 1975

Dec. 14, 1975

Dec. 13, 1975

COPENHAGEN—Mixed in active trading.

AMSTERDAM—Lower on extensive profit-taking. "Open Letter" from heads of nine major companies to the Cabinet and Parliament calling for a change in economic policies unsettled the market.

Dutch Internationals gave ground, with the exception of Royal Dutch which rose Fls.120.

Elsewhere losses were widespread, although Insurance were resistant.

Amas were Fls.30 higher at 10.30 after Bower Corp. took over responsibility for its Belgian subsidiary.

State Loans firmed.

MILAN—Slightly easier on buyer reserve, while awaiting signs of a solution to the Italian Government crisis.

Bonds were higher.

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Dec. 30, 1975

Dec. 29, 1975

Dec. 28, 1975

Gold fell \$5 to \$131.12, its lowest closing level since September 23, when the metal closed at \$129.10, which was the worst and in early dealings. Sterling level since January, 1974.

In January last week, there was a possible future gold sale by the International Monetary Fund, and the present fall is also due to the implications of IMF policy on disposal of part of its gold stock, following the meeting of the IMF in January last week. There are still doubts about when the IMF will sell its surplus and its effect on the free market. The Krugger's premium over its gold content narrowed to 2.09 per cent for domestic delivery and 1.71 per cent, in international dealings.

The U.S. dollar was generally firmer against other major currencies, gaining ground against the Swiss franc, the French franc and sterling. The Swiss unit tended to ease following the cut in Swiss Bank Rate to 2 1/2 per cent, while the French franc was also underpinned by an easier trend in French interest rates.

Expectations of a further reduction in Bank of England Minimum Lending Rate at the end of this week, caused a late weakening of the pound. The French and U.K. authorities were both reported to have given support to their respective currencies with the Bank of France selling around \$300m. The dollar's trade-weighted average depreciation since the Washington Currency Agreement, as calculated by the U.S. Treasury, of New York on noon rates, widened slightly to 2.12 per cent from 2.10 per cent.

The pound's trade-weighted depreciation, as calculated by the U.S. Treasury, widened slightly to 2.12 per cent from 2.10 per cent.

FRANC—Mixed in active trading.

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State Loans firmed.

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Bonds were higher.

TOKYO—Market firmed again, despite the introduction of tighter margin requirements on all stocks being raised, effective Tuesday, to 40 per cent from 30 per cent. Cash required was left at 10 per cent.

Japanese Government's campaign to boost computer exports helped Fujitsu, Nippon Electric and Oki Electric.

Y17 to \$35 on Government and Bank help to Oil Companies in inventory financing.

Ataka rose Y43 to 248 on reports of its business tie up with C. Itoh, off Y10 to 398.

HONG KONG—Mixed in nervous trading.

Hong Kong Bank were down 20 cents to HK\$10.50, Hong Kong Land 5 cents to 7.50, Hutchison 2.5 cents to 2.25 and Hong Kong Kowloon Wharf 10 cents to 14.50.

Utilities, however, were strong. China Light moved up 20 cents to HK\$1.50 and Hong Kong Telephone 10 cents to 15.50.

JOHANNESBURG—Gold shares eased following the lower bullion price.

Financial Minings were mixed. In Copper, Palmina gained 40 cents to R10.50.

Platinum rose 10 cents to R10.50. Armer, while other Metals were mixed.

Coal shares were in fair demand but prices were virtually unchanged. Industrials also were little changed in quiet trading.

AUSTRALIA—Generally lower as profit-takers moved in on lead-zinc, particularly among Minings.

Bank of NSW dipped 6 cents to \$4.85, CBA 5 cents to \$4.85 and National Bank 2 cents to \$4.85.

The following nominal rates were quoted for London dollar certificates on deposit: one month 8 1/2 per cent; three months 8 3/4 per cent; six months 8 3/4 per cent; one year 8 1/2 per cent.

Rates are nominal rates only. U.S. dollars and Canadian dollars and two-day notice for gold and silver.

EUROPE

Jan. 13, 1976

Jan. 12, 1976

Jan. 11, 1976

Jan. 10, 1976

Jan. 9, 1976

Jan. 8, 1976

Jan. 7, 1976

Jan. 6, 1976

Jan. 5, 1976

Jan. 4, 1976

Jan. 3, 1976

FINANCIAL TIMES SURVEY

Wednesday January 14 1976

ISLE of MAN

Devolution issues do not trouble the Isle of Man — it has had its own Parliament for 1,000 years. With its local autonomy, flourishing tourist trade, growing role as a financial centre and favoured location, the island has few of the economic problems of the mainland.

new
use
what
wants

David Crawford

IN Irish Sea—Mainland is the kind of joke, elsewhere perhaps, which still be relevantly printed in one of the Isle's local papers. This is as because the island clear visibility on days the rest of Britain's air-are closed and the newspapers fail to For it could be even egitimely applied in an ic sense, since the us feel they have the o indulge in a measure fied self satisfaction at. own comparative econ- soundness vis-à-vis the ns of Britain. in can succeed in freeing omy to a greater degree the past from depen- on that of Britain, for le, by continuing to alternative export s to the U.K. for its as it is already doing.

in a marked extent there seems no reason why it cannot look forward to a very prosperous future. So much so that, if ever the Manx economy were to be detached from sterling, the islanders are confident that it would float upwards.

To take one obvious indicator, per capita income in the island is already rising at or just below that of the United Kingdom—a far cry from the years after the end of the second world war when Man was one of the poorest areas of the British Isles.

This year could prove to be a watershed for the future of the island because the elections which will take place at the end of the year for the island's 1,000-year-old, internally autonomous parliament, the Tynwald, one of the oldest democratic assemblies in the world. It is also one of the least overtly political, since all but a handful of its members sit as independents. The only political party as such with parliamentary representation is the Manx Labour Party, which recently scored a gain at a by-election and will be hoping to increase its strength.

If it succeeds, or alternatively if it manages to attract the allegiance of some more of the independent responsibility which is not discounted on the island—then party politics may well become more of a force to be reckoned with in the affairs of Man; if not, then the prevailing outlook of its essentially small capitalist economy will be confirmed. In either case, the

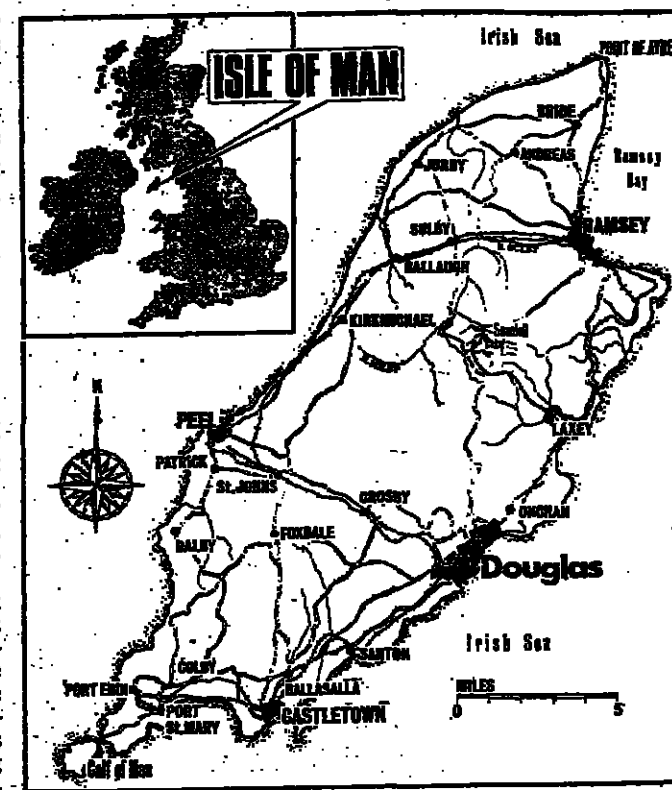
island's enviable reputation for enjoying good labour relations does not seem to be in any danger.

But notwithstanding the present comparative insignificance of party politics, the tradition in the island's elections is of hotly fought contests among rival independents rather than the unopposed return of sitting members, and attitudes could well shift in the new Tynwald following the elections.

Residents

Likely issues include the degree to which the island should continue to welcome new residents—proposals to restrict the flow of people retiring to the island or simply moving there to take advantage of its low taxes by requiring a substantial deposit to be made with the Government have been put forward in the recent past but have yet to be implemented—and the desirable balance between tourism and commerce or industry in the island's economy. Both these are points which could affect the putting into practice of the Manx development plan, which it is hoped, will be adopted before the current session of Tynwald comes to an end.

Again, if increased emphasis is placed on the development and diversification of tourism, then serious consideration may be given to plans currently being discussed for offering duty-free goods to visitors to the island as an additional incentive. But the Govern-



ment is going to be very end in the island having to cautious about introducing any collect its own duties, could scheme which would damage result in a drop of several million pounds a year in the with the U.K., under which the present income from this island draws about a quarter of source. For reasons such as these, its income from customs and excise duties collected on its politics on the island are very much, as the current Governor, Sir John Paul puts it, a matter of getting the right priorities. Man is anxious to be on good terms with its neighbours and customers and deplores abrasiveness, such as it fears is

being caused by the referral to the European Court of Human Rights of its practice of birching juvenile offenders—especially since consideration is being given to the possibility of mounting its own direct trade missions to European customers.

The aim is to secure a broader export base for Manx industry as well as increasing European investment in its industry—but here again comes the need to establish priorities and to establish a satisfactory balance between industrial and environmental needs. The island has a very strong conservation movement, which has already proved its strength in resisting plans to establish an oil refinery on part of the attractive coastline, and the issue is likely to raise its head again once serious sea-bed prospecting gets under way in the Celtic Sea close to or even within the island's territorial waters (or if hopes of reopening the once flourishing Manx metal mining industry are realised). Relying as it does almost entirely on imported sources of energy the island would in one sense be delighted to have total or partial control over a near and cheaper fuel—some islanders are already installing solar roofs and windmills to take advantage of its relatively clear skies and prevailing winds—but anything other than the severest environmental disciplines could endanger Man's still substantial income from tourism.

That the island will probably succeed in arriving at an acceptable compromise is indicated

by a major shopping scheme in the Chester Street area of Douglas which the Government is to begin developing this year to the designs of Welsh architects Alex Gordon and Partners. Incorporating a 30,000 square foot store and a multi-storey car park, it is intended to counter recent pressure for new shopping on the outskirts of the town, where it could have created an undesirable suburbanising trend. Instead, it will provide modern facilities close to the heart of Douglas but a little away from the established centre where it will have a complementary reviving effect on the older shops nearby. "Our aim," says the Government architect and planning officer, Malcolm Watson, "is to concentrate as much new growth as possible into areas of existing development."

Centre

This policy is also likely to provide most of the island's needs for new office space, at least for the next few years, by allowing small-scale and sympathetic redevelopment in the Douglas business centre around Athol Street for the merchant banks and insurance firms which the island hopes will continue to come and foster Man's emerging role as a small but lively and reputable financial centre.

As in most sectors of construction and development, there have been indications of a slowing down in office building over the last 12 months or so, and, there is modern office land

space still on the market in Douglas. But the general feeling on the island is that this may not be so bad a thing, dictated as it has been largely by prevailing economic conditions on the mainland, since it has avoided the risk of the island's commercial expansion getting out of hand, as it has in some cities in England. (As the Manx planners are holding in reserve powers to require new commercial schemes to be designed specifically to allow the possibility of future conversion or alternative use, for example for residential purposes.)

Current rentals for office space in good positions in Douglas range from around £2.00 per square foot for good quality converted accommodation to around £3.00 per square foot for the ground floor of a modern centrally heated building with lifts, and the expectation is that these will remain reasonably steady, at least in the short term. Any major expansion in the island's economy, in which its freedom from the Community Land Act, and its Land Speculation Tax which is running only at the already low level of Manx income tax, could prove attractive to mainland developers.

Perhaps the greatest attraction of the island, however, is the sense of human scale which still pervades Manx life—a sense of a small, close-knit community, to a degree which has been largely lost on the mainland.



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FURTHER INFORMATION

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ISLE OF MAN POSTAGE STAMPS

In addition to the normal definitive stamps there are also current commemorative stamps available including the second issue of the popular T.T. stamps, a series commemorating Manx Empire Builder Sir George Goldie and a set designed to celebrate the bicentenary of the printing of the Bible in the Manx Language.

The Stamp programme for 1976 is as follows:—

12 March—AMERICAN BI-CENTENARY— 4 stamps 5½p, 7p, 13p, 20p and a miniature sheet 45½p—issued as a tribute to the part played by Manxmen in the founding of the U.S.A.

26 May—CENTENARY OF THE HORSE TRAMS— 4 stamps 5½p, 7p, 11p, 13p—famous for its variety in transport including a mountain tramway, a steam railway system and an electric railway, the Isle of Man is perhaps proudest of its Horse Trams, and the centenary of this is being celebrated with an issue of colourful stamps depicting different types of Trams.

28 July—EUROPA ISSUE DEPICTING CERAMICS— 2 values of stamps in strips of 3.

6 October—(Christmas Issue)—CENTENARY OF MOTHERS' UNION.

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ISLE OF MAN II

Generous incentives to attract industry

THE ISLE of Man is going on the offensive for new industry during 1976 in a bid to increase employment which has, since the end of the 1960s, been steadily diversifying the island away from its reliance during much of this century on a tourism-aided subsistence economy. The main weapon employed is a generous system of development incentives which, under a new scheme introduced in 1973, are deliberately pitched to compare very favourably with those on offer in Northern Ireland and in the British development areas. The island offers a maximum discretionary grant of up to 40 per cent of the cost of investment in new buildings, plant and machinery (compared with 22 per cent in a U.K. special development area) as well as an additional discretionary grant of up to 40 per cent for non-recurring commissioning costs encountered in the first year of operation—on top of its low rates of tax.

During the half-year November 1, 1974-March 31, 1975, the Isle of Man approved grants worth a total of £123,940 to seven companies; rather less than its previous record. But in the following seven months this fell to only £28,800 worth of grants to three companies, a drop which the island's Industrial Advisory Council attributes largely to mainland economic problems, typified by the closure of a textile plant in Ramsey and with it the ending of 91 jobs. The firm is mainland-owned and its closure is locally put down outside the U.K. mainland. The programme of the parent company as to the inherent problems of an industry faced with competition from cheap imports.

Static

Without this closure, a sample of local industries carried out by the Industrial Advisory Council suggests that manufacturing employment in December 1975 would have been at, rather than below, the level of a year previously—a static situation which the Government is anxious to put right, especially in the light of its record in keeping unemployment below the rate in Great Britain since 1968. The first step is a mailing, during the early part of this year, to a carefully selected list of companies which the Government feels could be attracted to the island, but serious which were increasingly being considered is also being given to the possibility of mounting Manx trade missions, bulky than existing equipment, to one or more of the continental EEC countries, either independently or in collaboration with the British Overseas Trade Board—the aim being to diversify the island's export customers, following examples which have already proved successful.



Hills Meadow industrial estate at Douglas.

Products as diverse as specialised optical equipment and frozen fish are among those of recently established and growing Manx industries which already exemplify this trend towards finding export markets outside the U.K. mainland. Technical Optics of Onchan near Douglas, began life in North Wales and moved to the island in 1973, at first into temporary premises near the airport and now into its own purpose built factory.

The founder and now managing director of Technical Optics, David Lunt, originally planned to be an astronomer, and won a scholarship to Harvard when he could not find a place in any British university. In America, he rapidly found his interest diverted from the astronomy to the optical processes used in its study, and working in the field at the time when the laser was perfected. With his brother, who decided to join him, he set out to design an ultra narrow waveband optical filter which could isolate very precise wavelengths of light and radiation of the kind which were increasingly being needed in scientific and space research while being much less bulky than existing equipment. On returning to the U.K. he set up his own business, initially making optical elements for relatively straightforward instruments for industry. He has now built up a business which has a turnover expected to reach £120,000 this year, compared with £20,000 when it

began and £35,000 when it first arrived in the island after rejecting various U.K. development areas. His own invention is proving applicable to a wide range of industrial uses including uranium enrichment for nuclear energy and steel production, in both Sweden and Britain, since filters of this degree of fineness allow laser monitoring of industrial processes without costly running down and starting up again. He has high hopes that this could eventually lift Technical Optics into the firm, plus turnover bracket, when it could be employing 25 people in all, as island at Peel, Dutch entrepreneur Aart Verboon has in the last six years built up an output is exported to Western Europe, Japan and Eastern Europe, Japan and the U.S.A.—and its products, being small in size but high in value, overcome most of the potential transport difficulties inherent in manufacture on the island in that they can be posted and flown out. (One possible spin-off for the island's international standing is that Mr. Lunt and some of his staff have plans to use their own products and expertise to produce a small solar observatory which could complement the work of some of the largest and best known in the world.)

On the opposite side of the island at Peel, Dutch entrepreneur Aart Verboon has in the last six years built up an output is exported to Western Europe, Japan and Eastern Europe, Japan and the U.S.A.—and its products, being small in size but high in value, overcome most of the potential transport difficulties inherent in manufacture on the island in that they can be posted and flown out. (One possible spin-off for the island's international standing is that Mr. Lunt and some of his staff have plans to use their own products and expertise to produce a small solar observatory which could complement the work of some of the largest and best known in the world.)

to one of the English east coast ports, and then re-loaded for onward shipment to Europe. The firm's growth has also helped to maintain employment in the port of Peel and in the island's transport industry as a whole.

To accommodate the new industry which it hopes to attract over the next few years, the Manx Government will be looking mainly to private development rather than to its own estates, most of which are now full or nearing completion—though one of its two sites at Peel, Mill Road, could neatly be extended by the redevelopment of the closed Peel Station of the Isle of Man Steam Railway.

Among the major private estates which are capable of further development are Balthane, near Roundway Airport, owned by Hammet Industrial Ltd., Snugborough at Union Mills, west of Douglas, owned by Fuchsia Homes Ltd., and Spring Valley, near Douglas, owned by the Isle of Man Development Company Ltd.; this last has recently received planning permission for a major new phase.

In these three estates alone, there are some 60 acres of land still available for development which should cater for the island's needs for some time to come, although further potential sites are available, such as the one at Foxdale, to the south-east of Peel.

Not that it is always necessary to develop a new building to house incoming industry. Manxman Pipes, who make high quality briars and meerschaums have taken over a converted flour mill at Loxey and there is also vacant space in the premises of firms such as Tynwald Mills, near St. John's, which by a judicious mixture of modern weaving and traditional cloth preparation methods have substantially reduced the space needed for their production of high quality tweeds.

Steady expansion in financial sector

WITH AN annual growth rate in real terms of 5.5 per cent for the five years up to 1973-74, effort is being made to provide or double the rate of the U.K. new sources of revenue and as a whole, the Isle of Man fairly claim to be making the sound economic progress. The main contributor to growth has been the finance and banking sector, which now accounts for 20 per cent of Manx National Income as opposed to 12.3 per cent in 1968-70.

Having achieved this growth rate the Isle of Man has now to sustain it. One of the most likely sectors for future growth appears to be the insurance market. The island is ideally situated to accommodate a thriving reinsurance market as well as the captive insurance going with it.

After the subsistence economy of a few years ago every rule on ratios to be maintained by banks. Also included, but not applying to banks, is a requirement that any person who "holds

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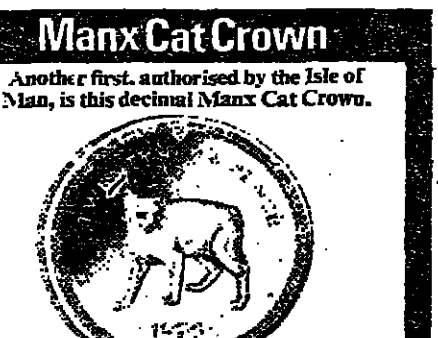
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Property demand eases off

ess is, and will remain, less centre of the 'It is here that the of any progress in the al sector of the ro- project will be detectable. scope for more small- development along to Athol Street, the siness artery of the addition to modern ungs as Exchange (on fully let) and the quarters of the Julian Bank. In this last de- there were still two et at the end of 1975, agents handling it, Brothers and Stott, re- of the year inquiries ould see this building for before long. fice schemes' are reail- in standards com- in the mid-1960s of £400 a sq ft. In available geor- and this is likely to re- pattern for the fore- future, given the scale

and there is no shortage of land available - for future development - and as when it becomes clear that the demand for space is there from firms either expanding in or moving into the island from Britain or elsewhere in Europe.

- One field in which the beneficial influence of mainland interest is becoming detectable is that of agricultural land, where prices have kept at about the same level as in the early 1970s, at £2000 and £3000 a hectare, thanks to the steady trickle of enquiries from United Kingdom farmers anxious to escape from the effects of Britain's Capital Transfer tax. As with everything else on the island, the market is a small one but this, says Ramsay-based estate agent Keith Kerridge, makes it very sensitive to responding to quite small movements, as has been the case with farm properties in the last few years on offer in recent months.

House prices in the island have risen sharply over the years - from an average of

Near the capital of Douglas, schemes are in progress at both medium (or 'bustards') and lower price levels (see above).

At the recently ended European Architectural Heritage Year has served to highlight in the mainland, older commercial and industrial buildings on the island are proving to be useful raw material for conversion into flats, and two recent schemes in the south of the island indicate the potential for this kind of scheme. At Gansey, near Port St. Mary, a 19th-century water mill has been turned by J. J. McCard and Son into flats at prices ranging from £25,000 for the penthouse to around £15,000 for those on the lower storeys, and close by, at Port Erin, the same company has produced 14 flats out of a former hotel, of which the first four have been sold at prices between £10,000 and £12,000.

Agents and developers report a relatively slow year for housing during 1975, especially at the higher price levels, due partly to a slackening in the

The Building by Private Enterprise Scheme, which started in its original form soon after the Second World War, is specifically intended for established island residents who have been employed there for at least five years to buy low cost houses. Under this scheme, the Government will loan up to £7,000, in practice at a maximum interest rate of 7 per cent. up to 40 years. The more recent Housing Advances Scheme exists to make available straightforward mortgages on both new and older property, with a maximum advance of £10,000 at present—this maximum has been increased over the years to keep pace with rising house prices.

The Building by Private Enterprise Scheme is, in its present form, due to end in March this year, and the Government is discussing ways of merging it with the Housing Advances Scheme in a single system designed to maintain a high rate of home ownership on the island.

D.C.

not as being prepared to "hide" money or money's worth, management or income must have a licence. This licence, in addition to the participation of the public, includes the following:

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The creation of legislation to help the finance and banking sector grow at a healthy rate has been one of the main aims of the Isle of Man Finance Board. It watched other tax havens prosper and wane either because of lack of legislation to control fringe operators or because their growth was based heavily on the secondary banking sector.

The Manx authorities have been lucky because if during the "boom" period, the fringe operators and the secondary banks had moved to the Isle

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ISLE OF MAN IV Widening the tourist market

FOR THE Isle of Man, 1975 was a record year for tourism, with well over 500,000 visitors coming either on day trips or for longer stays. The indications are that this and future years could be even more successful, with plans to diversify the island's tourist base away from its traditional reliance on the stable market provided by the North of England.

Not that the Isle of Man wants this market to go away, for it enjoys a very high degree of brand loyalty, with some 60 per cent. of each year's visitors having been to the island at least once before—a loyalty which is almost touchingly stressed in the smaller private hotels with names such as the Heckmondwike, the Keighley and the Rotherham. But most of this trade is concentrated in the island capital of Douglas, where the Summerland all-weather holiday complex, burned down two years ago, is to be rebuilt, and much of the rest of the island remains quiet, to the point in some cases of being empty even at the height of the summer season; let alone the off-peak times when Man could be appealing strongly to the second-holiday market.

With its six golf courses, Victorian steam and electric railways, sea fishing, casino, scope for naturalists, and the TT races and Grand Prix, the island has enjoyed a sustained record of catering for specialist holiday interests over and above the attractions of its beaches—interests which have helped to spread the economic benefits of tourism around the island. New interests are being added—pony trekking is a natural for the interior; the unusually clear waters appeal to underwater swimmers; the revival of Manx Gaelic, exemplified in the production of recordings of Gaelic songs, attracts devotees of Celtic culture; the strict Manx brewing laws have engaged the attention of mainland enthusiasts for traditional draught beer; and conservationists have started to come to admire the surprisingly rich architectural heritage of the island and the largely unspoiled streetscape of

its little towns, which are almost perfect examples of Victorian and earlier urban growth. With some 200 old mineworkings, there is scope for industrial archaeology, and the island's appeal to devotees of the history of transport could be extended by current plans to create a vintage car museum, which would complement the existing motor cycle museum at Snaefell.

Travel costs

One of the problems inherent in developing tourism in the Isle of Man, though prices of accommodation even in quality hotels such as the Villiers are low by mainland standards, has been the relatively high cost of getting there from the south of England—the ordinary tourist class return air fare from London is now nearly £40. Among long-term proposals which have

been urged by nationalists and businessmen for easing the travel costs include the creation of a Manx airline, which would rely heavily on charter flights as well as opening up more and better regular links with the mainland. In the short term, the local holiday industry is combating the problem by offering package deals, with flights from any one of 19 U.K. airports (Norway is also being prospected on the strength of Man's Viking history) as well as by the traditional crossings from the Lancashire coast and from strategic points in North Wales, south west Scotland, Belfast and Dublin. The Isle of Man Steam Packet Co., the island's cargo and passenger lifeline for well over a century, has recently taken delivery of a fourth vessel, which will be in operation for the 1976 season, and this will enable the

company, among other things, to improve its programme of sailings from Fleetwood, an established mainland departure point for day trips, which is also conveniently placed for the motorway for longer staying visitors. Sea access, which would be far from proved if plans are ever realised for a hydrofoil service to the island, which would again be geared to a convenient point on the motorway network.

Self catering is another growth sector in tourism, for which the island hopes to be providing increasingly over the next few years, at both ends of the market. One interesting scheme which was just getting into its stride during 1975 is the Groulle Glen holiday village at Onchan, on the coast just to the north of Douglas. The scheme, which has been developed by the Harbour and Glen Investments

Ltd., consists of 30 bungalows and a provision shop of mixed traditional and prefabricated construction, designed and furnished virtually to the standards of permanent dwellings, rather than those of traditional holiday chalets. In fact, the scheme has been booked up throughout the winter months, partly because its bungalows have proved suitable for incoming families to take on longer lettings while awaiting their permanent homes on the island. With the 1976 high season rates fixed at £70 per week (including maid service) for families of up to six, Groulle Glen, which has its own private beach and woodland walks, is a useful indication of the island's potential for attracting discriminating self-catering holiday-makers—as, in a different way, is the Viking Aparthotel at Ramsey, the main town of the north of the island, which offers the holidaymaker a choice of total self-catering, use of hotel facilities, or any combination in between—a formula more common in Spain than the U.K. At the same time, a number of guest houses on the island are being converted into holiday flats, taking advantage of the Isle of Man Government's financial incentives for the development and improvement of tourist facilities.

Under a recently announced scheme, these can amount to a 40 per cent. grant of the initial costs of the provision of new tourist accommodation, and a further 30 per cent. of the costs as a loan at favourable interest rates. Where there is a proposal to extend an existing facility by the acquisition of an adjoining property, the Government will loan 100 per cent. of the purchase price and give further grants of 25 per cent. of the consequent cost of structural alterations incurred in amalgamating the properties, added to the standard grant of 25 per cent. of the cost of improving of life on the island, tourist accommodation, for example by installing lifts where there are at least 30 bedrooms. Prospects therefore look bright for tourism as a major

element in the Manx (even though, as a proportion of the island's national tourism accounted for 31.4 per cent. in 1973-74, as long as the Government prepared to take the steps to protect the attractive environment and undue erosion by the industrial and financial which it equally desires is, for example, no procedure for listing historic or architectural though it is intended: a procedure should be in the island's development plan, which it is hoped will be finally approved this

Railways

Again, the island's Victorian railways, both enjoying Government subsidies, have been truncated in what can be a short-sighted move towards the 500,000 who are members of amenity societies that is a happy hunting ground for 19th-century and early 20th-century architecture and streetscape, it by architects well in their work on the main

The signs are that it will not do anything to its environment, compared with some things which have happened on the mainland, for the make a point of being about changes. That is a significant choice for the latest film, produced by the Isle of Man Board. For Clifford, chairman of the Board, alterations incurred in amalgamating the properties, added to the standard grant of 25 per cent. of the cost of improving of life on the island, tourist accommodation, for example by installing lifts where there are at least 30 bedrooms. Prospects therefore look bright for tourism as a major



The 1,000-year-old Tynwald ceremony which is held every year on July 5. During the ceremony all the Manx new laws are declared to the local population.

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A benign tax climate

IF YOU are looking for a measure of tax relief the Isle of Man could be the place for you. But if it's tax evasion you are looking for, forget it. You will not be welcomed by the Manx authorities.

Direct taxation is low and can be beneficial if you fit into certain categories, but the island is not an open door situation where anyone can take advantage. The standard rate of income tax is 21.25 per cent. and has been since 1962. For individuals there are generous personal allowances including earned income relief of one-quarter of the first £4,000. Companies are taxed at the standard rate on undistributed profits only.

Some companies which have investigated a move to the Isle of Man have found there would be no benefit: others wonder why they had not moved earlier, particularly those which generate profits outside the U.K. For the latter the island is an attractive proposition.

Conscious of its position outside the U.K., but within the influence of U.K. exchange control regulations, the Manx Government has taken steps to try to ensure it does not become an annoyance to Whitehall. There might be the odd drawing pin in the U.K. Government to stand on but the Manx authorities are careful not to produce a bed of nails.

Benefits

Taxation benefits are available in many different forms and to a wide range of people including large corporations. You either stand to benefit considerably from "the Manx Connection" or it could be a waste of time.

Recently a much needed book on Manx taxation has been published. Its author, Mr. Mark Solly, is the Isle of Man Assessor of Income Tax. His book "Anatomy of a Tax Haven" (Shearwater Press—£5) gives all the detail required for anyone to assess their future potential in the Isle of Man.

Apart from being relatively free of bureaucratic jargon the book also examines all aspects of life on the island, including political stability and accessibility. As Solly says: "The classic twentieth century tax haven is a small country that for historical or constitutional reasons remains or becomes sufficiently independent in its own right to be solely responsible for imposing its own taxes."

The Isle of Man falls into this definition and considers itself to be in full control of its

finance industry and to act in a responsible manner. "The attraction of prospective tax avoiders and the investment of funds depends," remarks Solly, "to a great extent upon confidence. For this reason alone a successful tax haven is unlikely to continue to be a successful tax haven for long if it cannot retain the confidence of its wealthy patrons in its continuing stability." For many who have moved to the Isle of Man, the political stability and good record of labour relations were the deciding factor.

The steady growth of the finance sector, albeit at a high rate, rather than a headlong rush to attract anyone and everyone with money is considered to be one of the reasons why the island has a long-term future in this field.

Even those who do not like the island referred to as a tax haven will admit that its policy of remaining a low tax area has turned a subsistence economy into a sound economic unit. In 1962 the total taxes collected, both from direct taxation as well as indirect taxation through the "common purse" arrangement with the U.K., amounted to £3.69m. The estimate for the current financial year is £24m. The growth has been mainly from direct taxation.

Although there is no capital gains tax, estate duty or death duty in the Isle of Man a new law called the Land Speculation Tax became effective from May 1, 1975. This imposes a tax of 21.25 per cent. on short-term capital profits on certain "land" transactions with the island. "Land" includes, among other things, houses and buildings of any tenure. In its first year of operation the tax is now expected to realise at least £120,000.

The idea of a tax on land speculation was first raised over three years ago. The decision to make the rate of tax the same as the standard rate was because there would have been a lot of disputes as to who were speculators and who were genuine land or property dealers.

The Act was purely a political move—almost in panic—to appease the Manx public who were clamouring for action. They got it, finally, but just what they got is anybody's guess. So far those who appear to be suffering most under the Act are owner occupiers. If land speculation ever becomes popular again the Land Speculation Tax is not going to prevent prices getting out of hand but it might bring in a lot of money.

During the property "boom" period some people obtained high prices for their houses in the U.K. moved to the Isle of Man, bought a house in the medium-priced range and expected to retire and live on the balance of their remaining capital. With inflation some of them are now possibly beginning to regret their move. The hardest hit, in spite of the tax advantages, are those who retired to the island five, ten, or even twenty years ago on a fixed income. They expected to live comfortably for the rest of their lives but have been caught with a declining income and no way of improving their situation.

Deadline

The property market has been quieter since the deadline imposed by the U.K. Finance Act, 1975 came into force on December 10, 1974, but recently there are signs that more U.K. residents have realised that Capital Transfer Tax need not affect them quite as drastically as was first supposed from the wide publicity given to its introduction. To a limited extent it is possible that the publicised investigation of the Manx Government might have helped to add to the false belief in some minds that CIT had put up the barriers for everyone.

It is too early to assess the full impact of CIT but there appears for instance to be no way the U.K. Inland Revenue can extract taxes from the

estates of Manx residents provided they have no dependents or assets in the U.K. As Solly explains: "Except for the uncertain consequences" of Section 45 of the Finance Act 1975 for people domiciled in the U.K. who become domiciled in the Isle of Man after December 10, 1974, the various attractions of the island's system of low direct taxation are unaltered and remain soundly based."

The main point to when assessing the benefits of Manx tax check out your own with someone who knows. There are sources of information on the island and in point Barclaytrust Man), Isle of Man several other well-known are as good as any.

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ARMING AND RAW MATERIALS

Part to EEC beef plan

ED PEART, the Minister for Agriculture, has announced his intention to make a public statement on the EEC beef plan. He said the plan was a "very important part of the Government's policy on beef production and marketing".

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Disappointing demand hits London cocoa prices

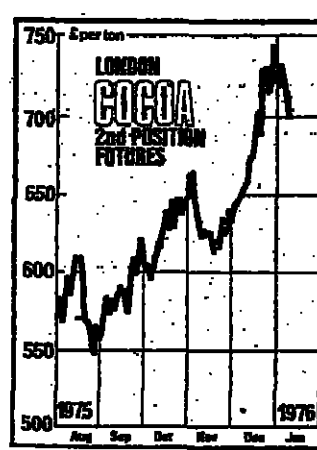
By Richard Mooney

COCOA PRICES on the London terminal market fell sharply yesterday following the announcement of disappointing grindings for the fourth quarter of 1975 by the main Western European consuming countries. Nearby futures positions fell the permissible \$20 limit at one stage but closed above the day's lows.

U.K. grindings in the October/November period were just about in line with market expectations at 18,500 tonnes—4.5 per cent. above the 1974 fourth quarter figure. But a steep fall to 34,839 tonnes in West Germany took the market by surprise and France's 6,000 tonnes figure was also well below the forecast level.

Also announced yesterday was the Dutch December grindings figure, which showed a 12.2 per cent. increase over the same figure in 1975. The Dutch figure, however, is not considered significant by Western Europe's second biggest consumer of cocoa beans. In any case, demand in Holland has consistently outpaced that in other countries during the recent decline in consumption.

When yesterday's grindings figures are added to the lower-than-expected total announced in the U.S. last February, the rise of 5 per cent. or 8,400 tonnes compared with 1974 is shown. A spokesman for one commission-house last night described this as a "pretty small performance" especially as the increases in the U.K. and the U.S. were influenced by the shorter Christmas holiday factory closures. Dealers also noted that the rise



in U.K. grindings does not necessarily reflect an increase in retail consumption.

The West German grind was the major disappointment. Most dealers had forecast the figure unchanged to 3 per cent. down but in the event it showed a fall of no less than 9.5 per cent. Initial reaction was fairly muted, however, and futures values opened only \$7.25 down on Tuesday night's closing, which was in line with the overnight tone in New York.

But with sentiment deteriorating prices soon lost further ground, touching off stop-loss orders and encouraging further profit-taking. The May position on the London terminal market reached the limit-down point in mid-afternoon but bounced up after \$700 a tonne following the resumption of trading, before slipping back to finish \$125.25 lower on the day at \$899.5 a tonne.

Dealers noted that some of the selling pressure had been absorbed by Eastern European price-fixing while good general manufacturer interest was reported.

Gold falls hits silver market

By John Edwards

SILVER PRICES dipped yesterday afternoon, following the fall in the gold market. In fact the London bullion silver spot quotation was raised by 3.3p to 269.15p an ounce, but in later trading values came back sharply down to around 266p at the afternoon close.

London prices followed the trend in New York, which was firm overnight but opened well lower yesterday afternoon with losses of as much as 16 cents in early trading before rallying later.

The weakness in gold also affected base metal markets helping to reverse the recent upward trend in copper. Cash prices fell by 5.75p to 259.75p a tonne, but the underdone remained fairly steady with values slightly firmer in late afternoon dealings.

Imported from New York the U.S. producer stock of silver rose to 82,795 short tons in December from a revised 82,717 at end-November and 45,588 at end-December 1974, the Zinc Institute Inc. said.

December smelter production rose to 40,933 tons from November's 35,664 and compared with 49,837 in December 1974.

In the whole of 1975, U.S. zinc producers smelted 445,316 short tons compared with 590,181 tons in 1974. Shipments were 421,587 tonnes against 552,539 tonnes in 1975.

U.K. TOMATO GROWING

Outlook not gloomy despite cost crisis

By a Special Correspondent

servicing of the capital he borrowed (£30,000 less the 38 per cent. grant), amortisation over 10 years, maintenance and repairs, management costs. It can therefore be seen that his actual profit can easily be as much as £1,575 per acre for our big modern grower and £1,255 for the smaller man. Labour for the big grower will increase £1,800 and for the other around £800.

Assuming his marketing brought in the same income, he therefore had a gross margin of £13,500. His houses have long since been written off, he has no bank loan to service and no management costs. His maintenance and repairs are done by himself and his son so represent a marginal cost for repairs. Therefore the two couples can split about £12,000 on the season.

Anyone wishing to do so can shoot the examples down in many ways. But they cannot deny the accuracy of the average figures given. Where there can be large differences of course are in the market prices realised. What the cash return home was depends on which markets are served—even the days on which the fruit was sold.

The larger modern grower goes for November sowing and January planting to get the highest price when he starts sales in April, whereas the smaller man hopes off for another month to save on oil costs.

It can easily be seen that although the large grower by denying himself profit on capital is building up a strong business, he may well be working himself for a very small management wage whereas the smaller man that wishes a big income but his assets are declining. However, he is still in a strong position if he wishes to borrow to build new glass because his net profit can stand some capital investment if he wishes.

These examples have been quoted the previous year's conditions. Since then things have changed. There have been big

Wage increases for men and the equal pay regulations will mean that some of the women workers will be drawing almost 60 per cent. more in the coming season. Oil has increased 3.5p per gallon on average and this will mean £1,575 per acre for our big modern grower and £1,255 for the smaller man. Labour for the big grower will increase £1,800 and for the other around £800.

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Fresh produce

The small man can ride these fairly comfortably but what about the big modern grower? He can do several things all of which may help him to provide cash. He can increase his yield by general efficiency, by running his crop longer or by switching off his boilers in summer, although this brings some disease problems. He can also try to grow varieties which have high skilled labour can bring more top quality fruit and thus increase his average returns.

In addition he can try to control supplies to the market as a whole so that the price remains firm. This is, perhaps, the biggest hope for the future. In every other industry manufacturers only produce what the market requires. With fresh produce, other factors play a part such as weather, other growing conditions, public demand and imported produce.

The NFU and some major producers have set up a new Agricultural Co-operative Marketing Services organisation to notify growers of prices in all markets during the season so that the smaller man that will not cover costs of production, the fruit is withheld.

By using all these methods, and especially the last, U.K. tomato growers are certain to survive the present critical times. The recent unprecedented storm damage, however, has thrown an unpredictable influence on profits especially for the smaller grower with older houses.

IC chief signs

C. STOKES, chief executive of the House of Commons Select Committee on Agriculture, has signed a new contract with the company. Mr. Stokes has been with the company since 1971 and is re-signing his contract for a further two years.

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Bid to reduce apple 'mountain'

By Robin Reeves

FACED WITH AN apple 'mountain' verging on 6.5m. tonnes, the European Commission today warned Southern Hemisphere apple suppliers to be prudent in drawing up apple delivery schedules for apple deliveries to the Community during April to June.

At a meeting here today, EEC officials told representatives of the Southern Hemisphere suppliers in no doubt that they might otherwise be required to apply 'voluntary' import quotas as happened two years ago unless there was a measure of restraint in dispatches.

It was pointed out that this season's EEC apple production was estimated to have been a bumper output of 7.2m. tonnes, although there had been hopes that the provisional figure might turn out lower.

At the same time, stocks at the beginning of December, at 2.4m. tonnes, were higher than two years ago while prices to producers remained unsatisfactory despite 'withdrawals' from the market now totalling nearly 0.5m. tonnes.

The Southern Hemisphere representatives reported that withdrawals were high and prices low because the crop, although large in quantity, was poor in quality. They informed the Commission that their export availability amounted to much the same figure as last season—some 333,000 tonnes.

U.S. grain deal with Japan

By John Edwards

THE U.S. has agreed to continue the stable supply of about 14m. tonnes of grain to Japan in the coming grain year (July/October), officials of the Japanese Ministry of Agriculture said here today.

This total was agreed during discussions between Mr. Richard Bell, assistant secretary of the U.S. Department of Agriculture, and Japanese officials. The total included 10m. tonnes of wheat and 4m. tonnes each of barley and soyabean—the same amount the U.S. assured Japan this year, the officials said.

Australian wool prices firm

By John Edwards

PRICES WERE generally firm at yesterday's Sydney and Melbourne wool sales compared with the previous week. In both auctions, the Australian Wool Corporation took only 12 per cent of the offerings of over 18,000 bales.

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Oil costs

THE modern larger holding situated in the heart of the country uses 45,000 gallons of heavy oil costing 18.50p per gallon, or £7,500; his labour, split equally between men and women, costs £4,200; his costs of marketing, including grading and packaging, were 40p per tray, or £7,200. The average market price last season was about £330 a ton giving him gross £33,000. Subtracting his prime costs therefore leaves a gross margin of £24,600.

From this must be subtracted

U.S. talks on commodity market hedging

By John Edwards

MOST COMMERCIAL users of the U.S. commodity futures markets told a two-day Commodity Futures Trading Commission (CFTC) meeting at their port a broad flexible definition

U.S. Markets

particular in newly-regulated world-wide markets. The commission was seeking specific examples of how the industry hedges in futures. Reuter

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

LAST ground in active trading when metal prices rose and fell sharply at 500 but dried up and the heavy trend in the afternoon. Prices of the continued decline of silver on the Korb to trade at 500.150 tonnes.

Base Metal Trading reported

Commodity	Unit	Price	Change
Aluminium	tonne	594.5	+0.5
Copper	tonne	613.5	+1.0
Lead	tonne	694.5	+1.0
Nickel	tonne	680.5	+1.0
Silver	tonne	500.150	+0.150
Zinc	tonne	581	+0.5

Commodity	Unit	Price	Change
Gold	ounce	291.5	+0.5
Platinum	ounce	613.5	+1.0
Palladium	ounce	694.5	+1.0
Rhodium	ounce	680.5	+1.0
Ruthenium	ounce	500.150	+0.150
Rhenium	ounce	581	+0.5

Commodity	Unit	Price	Change
Iron ore	tonne	594.5	+0.5
Coal	tonne	613.5	+1.0
Oil	tonne	694.5	+1.0
Gas	tonne	680.5	+1.0
Electricity	tonne	500.150	+0.150
Water	tonne	581	+0.5

Commodity	Unit	Price	Change
Wheat	tonne	291.5	+0.5
Barley	tonne	613.5	+1.0
Oats	tonne	694.5	+1.0
Rye	tonne	680.5	+1.0
Millet	tonne	500.150	+0.150
Sorghum	tonne	581	+0.5

Commodity	Unit	Price	Change
Corn	tonne	594.5	+0.5
Soyabean	tonne	613.5	+1.0
Wheat	tonne	694.5	+1.0
Barley	tonne	680.5	+1.0
Oats	tonne	500.150	+0.150
Rye	tonne	581	+0.5

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Commodity	Unit	Price	Change
Corn	tonne	594.5	+0.5
Soyabean	tonne	613.5	+1.0
Wheat	tonne	694.5	+1.0
Barley	tonne	680.5	+1.0
Oats	tonne	500.150	+0.150
Rye	tonne	581	+0.5

Commodity	Unit	Price	Change
Aluminium	tonne	594.5	+0.5
Copper	tonne	613.5	+1.0
Lead	tonne	694.5	+1.0
Nickel	tonne	680.5	+1.0
Silver	tonne	500.150	+0.150
Zinc	tonne	581	+0.5

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Commodity	Unit	Price	Change
Aluminium	tonne	594.5	+0.5
Copper	tonne	613.5	+1.0
Lead	tonne	694.5	+1.0
Nickel	tonne	680.5	+1.0
Silver	tonne	500.150	+0.150
Zinc	tonne	581	+0.5

Commodity	Unit	Price	Change
Gold	ounce	291.5	+0.5
Platinum	ounce	613.5	+1.0
Palladium	ounce	694.5	+1.0
Rhodium	ounce	680.5	+1.0
Ruthenium	ounce	500.150	+0.150
Rhenium	ounce	581	+0.5

Commodity	Unit	Price	Change
Wheat	tonne	291.5	+0.5
Barley	tonne	613.5	+1.0
Oats	tonne	694.5	+1.0
Rye	tonne	680.5	+1.0
Millet	tonne	500.150	+0.150
Sorghum	tonne	581	+0.5

Commodity	Unit	Price	Change
Corn	tonne	594.5	+0.5
Soyabean	tonne	613.5	+1.0
Wheat	tonne	694.5	+1.0
Barley	tonne	680.5	+1.0
Oats	tonne	500.150	+0.150
Rye	tonne	581	+0.5

Commodity	Unit	Price	Change
Aluminium	tonne	594.5	+0.5
Copper	tonne	613.5	+1.0
Lead	tonne	694.5	+1.0
Nickel	tonne	680.5	+1.0
Silver	tonne	500.150	+0.150
Zinc	tonne	581	+0.5

INSURANCE. PROPERTY. BONDS

the 1990s, the number of people in the world who are illiterate has increased from 1.2 billion to 1.5 billion. The number of illiterate people in the world is projected to reach 1.7 billion by the year 2015. The number of illiterate people in the world is projected to reach 1.7 billion by the year 2015.

HIRE PURCHASE	BUILDING INDUSTRY—Continued	DRAPERY AND STORES—Continued	ENGINEERING
100	100	100	100
101	101	101	101
102	102	102	102
103	103	103	103
104	104	104	104
105	105	105	105
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197	197	197	197
198	198	198	198
199	199	199	199
200	200	200	200

	Db	Cov
	Net	
+1	24.12	6.0
+1	1.96	2.9
+2	7.57	8.6
	0.76%	20.5
+2	3.62	1.7
	0.2	0
	0.67	0.7
+1	61.5	1.3
	42.28	
	100.53	2.1
+1	74.69	1.7
	0.50	
-1	0.77	2.4
+1	1.9	1.3
	0.42%	11.8
-1	7.35	1.1
	10.94	3.3
	14.33	2.9

(Misc.)		
+3	8.28	28
-2	12.27	39
	101.93	40
-2	2.40	37
	71.58	6
	2	2
	11.4	22
	12.79	45
	12.79	93
	0.83	124
	84.56	27
	1.80	27
	12.06	42
	1.62	8.6
	1.91	8.7
	12.33	12
-1	-	-
	0.05	31
	1.0	23
	12.42	2.8
+1	2.42	1.6
+5	16.5	2.7
+5	7.55	1.8
+2	0.2	1.7
	0.84	3.8
-2	0.30	1.7
-2	2.75	1.2

+	2.45	2.5
+	1.75	1.8
+	3.86	4.1
-3	15.11	4.1
	1.39	1.6
	1.58	1.6
	1.99	5.9
-3	12.44	5.9
	75.00	13.1
	2.57	13.1
-2	12.85	1.6
	1.45	2.4
-2	15.15	2.2
+3	4.69	2.2
	0.61	4.8
	1.47	4.8
	13.79	4.1
	6.50	4.1
+3	16.22	4.2
	0.8135	2.2
	7.10	2.2
+3	13.02	4.8
+1	3.82	4.8
+3	3.96	4.8
	15.5	3.5
	1.03	6.0
	12.33	6.0
	1.11	6.1
	1.40	1.6
-1	13.49	1.3
	3.01	3.0
	13.33	3.0
+2	10.82	1.4
	10.82	1.4

.....	71.0	—	1.9
.....	65.7	—	1.9
+1/2	3.03	+	2.0
+1	0.83	+	2.0
.....	3.85	+	2.0
.....	1.68	—	2.0
.....	1.15	—	2.0
-1	2.77	—	2.0
.....	2.69	—	1.9
+1	6.68	+	3.5
.....	4.29	+	3.5
.....	0.2	—	7.1
.....	4.12	—	1.7
+1	15.62	+	2.0
.....	0.35	—	2.0
-1/2	2.17	—	4.5
+2	11.84	+	1.3
.....	1.82	—	3.6
.....	0.59	—	3.6
.....	1.56	—	2.4
.....	1.74	—	0.5
.....	3.05	—	0.9
+1/2	2.60	—	1.6

-1	5.39	2.6
-1	2.45	1.2
-1	13.12	3.8
	←	
+1	11.95	2.9
	12.28	2.2
	3.07	3.1
+1	11.36	2.6
	11.41	3.5
+1	11.80	
+1	2.11	3.9
-1	2.55	2.7
	11.85	2.6
+3	15.45	2.1
	12.32	2.8
	3.52	3.4
	11.62	4.3
	2.13	1.2
	8.5	2.2
	10.48	3.8
	13.71	6.1
-2	12.49	5.1
	11.36	4.1

	16.13	1.97
	41.44	2.4
	4.42	2.2
+1	10.70	1.8
-1	4.99	2.8
-18	4.0	6.4
	0.74	3.91
+2	0.58	4.1
	2.17	4.6
-1	1.74	4
	63.51	1.07
+23	55.40	
+2	2.08	1.7
-1	11.37	4.6
+1	16.55	5.9
	1.6	1.03
+4		
	38.33	
	3.10	1.91
	2.93	1.97
+2	2.93	1.97
	2.13	2.1

	1.19	2.11
	—	—
	b1.5	5.6
	5.99	2.5
	06.95	1.71
$\frac{1}{2}$	14.92	2.9
	11.97	2.2
	1.97	3.1
	2.55	0
	100.45	1.21
	0.28	—
$\frac{1}{2}$	12.08	3.1
$\frac{1}{2}$	13.98	2.6
$\frac{1}{2}$	17.81	2.9
$\frac{1}{2}$	1.74	4.7
$\frac{1}{4}$	0.98	2.2
	14.05	1.6
	1.62	2.61
	11.13	5.3
$\frac{1}{2}$	16.0	2.7
	4.55	1.6
	3.68	4.51
	10.38	15.1
	1.45	2.2

211	29
20	16
Q13	37
225	4
339	42
13.43	37
5.85	18
Q50%	—
72.35	40
15.5	34
0.38	38
4.12	42
83.22	65
12.86	32
12.37	64
11.98	73
12.4	23
1	30
235	35
8.31	35
227	37
1.92	18
1.62	87

2	1.68	1.8	1.1
1	3.35	2.9	1.1
1	2.37	0	0
1	2.31	3.9	0
1	2.44	0	0
1	1.06	2.3	1.1
3	0.20	2.4	1.1
1	5.12	1.5	1.1
1	0.6	4.2	1.1
	12.12	2.3	1.1
	13.2	2.2	1.1
	12.42	2.1	1.1
	1.25	0	0
	1.54	2.4	1.1
	4.43	1.7	1.1
1/2	0.75	0	0
	12.97	2.1	1.1
	12.97	1.2	1.1

1	13.2	2.9	30.2
1	0.79	1.9	30.2
	12.6	—	—
2	13.9	4.2	—
18	13.31	0.8	—
	11.35	1.4	—
	11.7	1.8	—
	13.91	2.5	—
4	1.69	1.5	—
1	12.4	8.9	—
	11.77	5.1	—
8	17.98	2.3	—
1	13.04	2.9	—
2	11.44	1.9	—
	13.37	2.2	—
1	10.4	3.1	—
	0.65	12.9	—
	12.12	1.3	—
	12.41	1.7	—
	11.05	2.5	—

1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 26

ISSUES

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House price rise 'will continue'

By Michael Cassell,
Building Correspondent

THE STEADY rise in house prices recorded during 1975 should continue for at least the first half of this year, according to Britain's third largest building society, the Nationwide.

In presenting a review of the housing market over the last 12 months, Mr. Leonard Williams, chief general manager of the Nationwide, said he was fairly confident that several months of comparative stability also lay ahead. He anticipated that a steady demand for homes would be matched in terms of supply and did not foresee any difficulties in the provision of mortgage finance. The prospects for the second half of the year were, however, more doubtful.

Commenting on the "quite rapid" decline in competitive interest rates, with yet another fall in minimum lending rate being predicted in some quarters, Mr. Williams said he did not envisage any early reduction in the society's own rates, despite the healthy inflow of funds and a very high liquidity situation.

The movement's general attitude appeared to be that the market place for savings might well become more difficult later this year and societies were not anxious to introduce rate changes which might prove temporary.

There was, Mr. Williams added, no evidence that the current 11 per cent mortgage rate was in any sense stifling demand and societies were conscious of their responsibility towards investors, who had been suffering heavily from the effects of inflation.

According to the Nationwide, house prices rose over 1975 as a whole by an average of about 1 per cent a month. For new properties the increase was 13 per cent, and for secondhand homes an estimated 12 per cent.

In the fourth quarter of last year, the society's house price index showed increases of 4 per cent for new properties and 3 per cent for secondhand houses, which were very similar to the rises recorded during the third quarter of 1975.

In London and the South-east, the price of new properties last year is calculated to have risen by 15 per cent while for modern, secondhand homes the increase was limited to 8 per cent. On older properties, the figure was around 11 per cent.

Mr. Williams confirmed that the building society's movement in the last year and last year and financed the purchase of over 650,000 homes, almost as many as in the peak year of 1972.

Weather

U.K. TODAY
Mild at first, becoming cooler, London, S.E. England, Channel. Rather cloudy. Mainly dry. Some bright intervals. Wind S.W. moderate. Max 11C (52F). E. Anglia, Cent. S., E. Cent. N. and S.W. England, Midlands, S.

Cloudy, occasional rain, hill fog, becoming brighter and mainly dry. Wind S.W., veering W. moderate or fresh. Max 10C (50F), becoming colder later.

N. Wales, N.W. and W. England, I. of Man. Borders. Edinburgh, Dundee, Aberdeen. Cloudy, rain at times. Hill fog, becoming brighter with scattered showers. Wind S., veering W., fresh or strong. Max 10C (50F), becoming colder.

Glasgow, Cent. Highlands, Moray Firth, N.E., N.W. and S.W. Scotland, Argyll, Orkney, N. Ireland. Cloudy, rain at times. Hill fog, becoming brighter with occasional showers of sleet on high ground. Wind S., veering W., strong, locally gale. Max 10C (50F) becoming colder.

Outlook: Dry at first, rain in N. and W. later. Mild. Lightning 16.45, Glasgow 16.40, Belfast 16.50.

Snow Reports, Page 8

BUSINESS CENTRES

		V-day		V-day	
		modular	modular	modular	modular
Amsterdam	8	56	69	56	69
Antwerp	1	56	69	56	69
Bahran	3	56	69	56	69
Bahran	3	56	69	56	69
Bahran	3	56	69	56	69
Bahran	3	56	69	56	69
Bahran	3	56	69	56	69
Bahran	3	56	69	56	69
Bahran	3	56	69	56	69
Bahran	3	56	69	56	69
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